AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

This notice is for an extraordinary general meeting of the Company to consider resolutions related to the proposed merger of the Company with Diversified United Investment Limited.

The meeting will be held
at 12.00pm (Melbourne time)
on 13 April 2026
at Herbert Smith Freehills Kramer,
Level 24, 80 Collins Street, Melbourne, Victoria
and on-line.

The Board unanimously recommends that shareholders

VOTE IN FAVOUR

of each resolution.

This is an important document and requires your immediate attention.
You should read it entirely before deciding whether to vote in favour of the resolutions.
If you are in any doubt as to how you should vote, or how to deal with this document, you should contact your broker or financial, taxation, legal or other professional adviser.

Letter from the Chairman

10 March 2026

Dear Shareholder

Proposed merger with Diversified United Investment Limited

As announced on 30 January 2026, Australian United Investment Company Limited (**AUI**) is proposing to merge with Diversified United Investment Limited (**DUI**) by way of a scheme of arrangement.

Under the merger, AUI would acquire all of the shares in DUI it does not own in exchange for the issue of AUI shares to eligible shareholders of DUI.

The exchange ratio will be calculated as the pre-tax net tangible assets of DUI per share divided by the pre-tax net tangible assets of AUI per share on the date that is 5 business days before the DUI scheme meeting, adjusted for estimated transaction costs associated with the proposed merger to be incurred up to implementation.

Based on the latest published monthly net tangible asset backing for each company as at the date of this letter, eligible DUI shareholders would receive approximately 0.4705 AUI shares for each DUI share under the merger. That exchange ratio implies that, once the merger proceeds, DUI shareholders will hold approximately 43.15% of shares in the enlarged AUI.

Benefits to AUI of the merger

The merger is a natural combination, as AUI and DUI have similar investment philosophies. The Directors of AUI see benefits from both companies coming together:

1. AUI has demonstrated strong performance compared to the ASX200 and its peers over the short and long term. Over 1, 3, 5 and 10 years, AUI on the basis of pre-tax net tangible asset backing per share has outperformed the other traditional listed investment companies.[1] Despite that, AUI (and DUI) shares trade at a discount to the underlying investment portfolio. Combining AUI and DUI (AUI market capitalisation $1.32 billion and DUI market capitalisation $1.06 billion) will make AUI a much larger listed entity. This is expected to lead to increased liquidity in AUI's shares and may lead to a reduction in the trading discount of the share price to the pre-tax net tangible assets of AUI.
2. The two companies have a broadly similar Australian share portfolio. In addition, DUI has international investments comprising around 21% of its investment portfolio. The merger would allow increased flexibility in managing the combined investment portfolio as a result of the increased size of the portfolio and an expected overall uplift in the tax cost base of the DUI portfolio.
3. The two companies share the costs of secretarial services and rent, but have separate costs in relation to directors' fees, stock exchange listings, and directors and officers' insurance, among other items. The combined annual costs, other than interest costs, of the two companies is around $3.3 million. We

[1] For this purpose, AUI's peers and the other traditional listed investment companies are Diversified United Investment Limited (ASX: DUI), Australian Foundation Investment Company Limited (ASX: AFI), Argo Investments Limited (ASX: ARG), BKI Investment Company Limited (ASX: BKI) and Whitefield Industrials Limited (ASX: WHF).

estimate that there would be around a 21% or $700,000 saving by combining the two companies.

4 The Directors of AUI confirm that they expect, in the absence of unforeseen circumstances, to maintain after the merger AUI's current annual fully franked dividend of 37 cents per share and for each of the next four years to pay a special fully franked dividend of 8 cents per share.

In deciding to pursue the merger, the Directors of AUI also considered the potential disadvantages and risks to AUI shareholders, being that AUI shareholders' existing holdings in AUI will be diluted, that the integration of the two companies may be more difficult than anticipated and the estimated costs savings outlined above may not be realised, that some AUI shareholders may not wish to be exposed to DUI's international investments, and that total transaction costs of approximately $3.1 million are expected to be incurred by AUI and DUI if the merger is implemented.

However, the Directors of AUI consider that the benefits to AUI shareholders outweigh the potential disadvantages and risks.

The need for AUI shareholder approval

The proposed merger has the strong support of AUI's 41.88% shareholder, The Ian Potter Foundation Limited (**IPF**), which also holds 16.79% of shares in DUI.

As IPF holds more than 10% of AUI and the value of IPF's shares in DUI exceeds 5% of the equity interests of AUI as at the balance sheet on 30 June 2025, AUI is required by ASX Listing Rule 10.1 to seek shareholder approval to acquire IPF's shares in DUI under the merger.

In addition, to ensure that AUI is in a strong position in relation to the merger, AUI sought (and IPF granted) an option in favour of AUI over 13.07% of DUI shares, which, if exercised, would increase AUI's stake in DUI from 6.83% to 19.90%. The option is only exercisable if a competing proposal for DUI is made by a third person. For the same reasons set out above, AUI is required by ASX Listing Rule 10.1 to seek shareholder approval to acquire IPF's shares in DUI under the option. In addition, as IPF holds more than 30% of AUI, AUI is required by ASX Listing Rule 10.11 to seek shareholder approval to issue fully paid ordinary AUI shares to IPF under the option.

The merger and exercise of the option will lead to possible changes in IPF's shareholding in AUI. In particular, based on the latest published monthly net tangible asset backing for each company and the numbers of shares currently on issue:

- If the merger proceeds, IPF's shareholding in AUI would be diluted from 41.88% to 31.59%.
- If the merger does not proceed but the option is exercised in full, IPF's shareholding will increase from 41.88% to 47.47%. That would exceed the 3% "creep" limit to increase IPF's shareholding in AUI under the Corporations Act. Accordingly, we have agreed with IPF to seek shareholder approval to allow for that increase under section 611, item 7 of the Corporations Act.

IPF and any shareholder who is an associate of IPF will not be eligible to vote on the resolutions.

Independent expert's report

The Board appointed Lonergan Edwards & Associates Limited as independent expert to provide an opinion on whether the acquisition of IPF's shares in DUI under the merger and the option, and the issue of AUI shares to IPF under the option, are fair and reasonable to shareholders not associated with IPF.

The independent expert has determined that the:

- acquisition of IPF's shares in DUI under the merger is fair and reasonable;
- acquisition of IPF's shares in DUI under the option is fair and reasonable; and
- issue of AUI shares to IPF under the option is not fair, but reasonable,

in each case to shareholders not associated with IPF.

In relation to the third conclusion, shareholders should note, as the independent expert itself notes, that ASIC policy required the independent expert to assess the issue of AUI shares to IPF under the option as if it were a control transaction, which has ultimately led to the "not fair" component of the conclusion. However, the independent expert acknowledges in its report that, if the option is exercised, it is not expected to result in any meaningful change in IPF's practical control of AUI. Accordingly, when this fact and the advantages of the option for AUI are factored in, the independent expert considers that the issue of AUI shares to IPF under the option is **reasonable** in the circumstances.

A copy of the report is attached to this notice of meeting.

Shareholders meeting

A meeting for AUI shareholders to consider the resolutions described above is scheduled for 12.00pm (Melbourne time) on 13 April 2026 at Herbert Smith Freehills Kramer, Level 24, 80 Collins Street, Melbourne, Victoria. A formal notice of meeting and a detailed explanation is attached.

The Board unanimously recommends that you vote **IN FAVOUR** of each resolution.

The reasons for this recommendation in relation to resolution 1, which concerns the proposed merger, are set out above under the heading 'Benefits to AUI of the merger'.

The reasons for this recommendation in relation to resolutions 2 and 3, which concern the IPF option agreement, are that the option significantly increases the certainty of the proposed merger by allowing AUI to acquire a 19.90% stake in DUI if a competing proposal arises, that the consideration payable under the option is calculated on the same basis as the consideration under the proposed merger, and that even if IPF's interest in AUI increases, indicatively, from 41.88% to 47.47%, IPF's level of control over AUI will not, as a practical matter, increase.

Each AUI Director will vote, or procure the voting of, any AUI shares held or controlled by them or held on their behalf at the time of the meeting in favour of each resolution.

A scheme meeting for DUI shareholders to vote on the scheme of arrangement is scheduled to be held on 16 April 2026. If the resolutions are passed, the merger is expected to be implemented shortly thereafter, subject to satisfaction or waiver of other conditions to implementation.

Interim dividend

Under the merger, AUI is permitted to pay dividends in the ordinary course of business. The interim dividend of 17 cents per share announced on 19 February 2026 will be paid on 20 March 2026 to AUI shareholders who held their shares as at the record date of 2 March 2026.

This is an exciting new chapter for AUI and we thank you for your continued support.

Yours sincerely

Charles Goode AC
Chairman
Australian United Investment Company Limited

Notice of extraordinary general meeting

The extraordinary general meeting of the Company will be held as a hybrid meeting on:

Date:	13 April 2026
Time:	12.00pm (Melbourne time)
Venue:	Herbert Smith Freehills Kramer Level 24, 80 Collins Street Melbourne, Victoria
Virtual:	meetings.openbriefing.com/AUIGM26

1 Items of business

The purpose of the meeting is to consider and, if thought fit, pass the following resolutions as ordinary resolutions.

Resolution 1 — acquisition of shares in DUI held by IPF pursuant to merger

> *"For the purposes of ASX Listing Rule 10.1 and for all other purposes, the Company's acquisition of shares in Diversified United Investment Limited held by The Ian Potter Foundation Limited pursuant to the proposed merger with Diversified United Investment Limited as described in the notice convening this meeting is approved."*

Resolution 2 — acquisition of certain shares in DUI held by, and issue of shares to, IPF under option agreement

> *"For the purposes of ASX Listing Rules 10.1 and 10.11 and for all other purposes, the Company's acquisition of certain shares in Diversified United Investment Limited held by, and issue of shares to, The Ian Potter Foundation Limited under the option agreement between the Company and The Ian Potter Foundation Limited as described in the notice convening this meeting is approved."*

Resolution 3 — acquisition of shares in AUI in excess of 3% creep capacity under option agreement

> *"For the purposes of section 611, item 7 of the Corporations Act and for all other purposes, The Ian Potter Foundation Limited's acquisition of shares in the Company in excess of its 3% creep capacity under the option agreement between the Company and The Ian Potter Foundation Limited as described in the notice convening this meeting is approved."*

2 Attendance and voting

2.1 Attendance at the meeting

If attending in person, shareholders should please arrive at the venue at least 15 minutes prior to the start time of the meeting, so their shareholding may be checked against the share register and attendance noted.

If attending virtually, we recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the meeting using the instructions below:

- enter meetings.openbriefing.com/AUIGM26 into a web browser on your computer or online device;
- shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the voting/proxy form; and
- proxyholders will need their proxy code which MUFG Corporate Markets will provide via email no later than 24 hours prior to the meeting.

2.2 Discussion and shareholder questions

A discussion will be held on all items to be considered at the meeting. All shareholders will have a reasonable opportunity to ask questions during the meeting via the virtual meeting platform. Further information on how to participate virtually and ask questions during the meeting is set out in the Online Platform Guide, available on our website at aui.com.au/merger.

Written questions may also be submitted in advance of the meeting and must be received by the Company or MUFG Corporate Markets by 12.00pm (Melbourne time) on 11 April 2026, and can be submitted:

- online at au.investorcentre.mpms.mufg.com;
- by mail to Australian United Investment Company Limited, C/- MUFG Corporate Markets (AU) Limited, Locked Bag A14, Sydney South, NSW, 1235; or
- by fax to +61 2 9287 0309.

2.3 All resolutions by poll

Each resolution considered at the meeting will be conducted by poll.

2.4 Voting entitlements

The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations, that the Company's shares quoted on ASX at 7.00pm (Melbourne time) on 11 April 2026 are taken for the purpose of the meeting to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote (if not excluded) at the meeting.

2.5 Voting exclusion statements

The Company will disregard any votes cast in favour of resolution 1 or resolution 2 by or on behalf of:

- IPF;

- any ‘Associate’ (as defined in the ASX Listing Rules) of IPF; and
- any other person who will obtain a material benefit as a result of the transaction described in the relevant resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

The Company will disregard any votes cast in favour of resolution 3 by or on behalf of IPF or any Associate of IPF.

Please note that the Chairman of the meeting intends to vote undirected proxies in favour of all resolutions. If the Chairman of the meeting is appointed as your proxy, you are expressly authorising the Chairman of the meeting to exercise your proxy.

2.6 Proxies and corporate representatives

If you cannot attend the meeting, you may appoint a proxy by completing and returning the enclosed voting/proxy form. A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes, they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. Shareholders can appoint a proxy online at au.investorcentre.mpms.mufg.com or by following the instructions on their voting/proxy form. Instructions must be received by 12.00pm (Melbourne time) on 11 April 2026.

To vote in-person at the meeting, a company that is a shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting an Appointment of Corporate Representation as evidence of their appointment, a form of which can be obtained from mpms.mufg.com/en/for-individuals/au/shareholders/forms.

2.7 Submit your vote ahead of the meeting

Voting on the items of business has now opened. If you are unable to attend the meeting, you are encouraged to lodge a direct vote, or appoint a proxy to vote on your behalf, by using the enclosed voting/proxy form. Even if you intend to attend the meeting (whether in person or by virtual means), it is recommended that you lodge your direct or proxy vote ahead of the meeting, in the event technical difficulties are experienced on the day.

We recommend that you read this notice of meeting, including the explanatory memorandum, in full prior to lodging your votes. Direct or proxy votes must be received by 12.00pm (Melbourne time) on 11 April 2026.

To lodge your direct or proxy vote online or by mobile device, follow the instructions below.

- Go to au.investorcentre.mpms.mufg.com, click the ‘View single holding’ button and enter “Australian United Investment Company Limited” or “AUI” as the Issuer Name. If you have previously set up a “Portfolio”, you may proceed to access online voting through that login process.
- Enter your Holder Identification Number (HIN) or Securityholder Reference Number (SRN). Next, enter your postcode (Australian address) or country code (overseas address).
- Complete the Security Verification, read and accept the terms and conditions and click “Login”.
- Select “Vote” under the heading ‘‘Action” and follow the prompts to lodge your direct vote or appoint a proxy.

James Pollard
Company Secretary
For and on behalf of the Board

Explanatory memorandum

Key dates

Event	Time and date[2]
Latest time and date for receipt of voting/proxy forms for the extraordinary general meeting of the Company	12.00pm, Saturday, 11 April 2026
Time for determining eligibility to vote at the extraordinary general meeting of the Company	7.00pm, Saturday, 11 April 2026
Extraordinary general meeting of the Company	12.00pm, Monday, 13 April 2026
Scheme meeting of DUI	12.00pm, Thursday, 16 April 2026
Scheme implementation date for proposed merger	Thursday, 30 April 2026

1 Overview of proposed merger with DUI

1.1 Merger implementation deed and scheme of arrangement

On 30 January 2026, the Company entered into a merger implementation deed with DUI under which the Company and DUI agreed to implement the proposed merger by way of a DUI scheme of arrangement. A copy of the deed was released to the ASX by DUI and can be obtained from the ASX website (www.asx.com.au).

A scheme of arrangement is a procedure under the Corporations Act that is used to effect a change of ownership or control of a company. In this case, it will enable AUI to acquire shares in DUI in exchange for an issue of new AUI shares to eligible DUI shareholders.

Further information regarding the proposed scheme of arrangement, including the conditions precedent that must be satisfied or waived for the merger to proceed, will be set out in a scheme booklet that DUI will send to its shareholders in the coming days. The scheme booklet will also be released to ASX by DUI and can be obtained from the ASX website.

Subject to the satisfaction or waiver of the conditions precedent, the merger is expected to be implemented on 30 April 2026.

1.2 Consideration payable by the Company and participation by IPF

If the merger proceeds, the Company will acquire all the shares in DUI it does not own in exchange for the issue of AUI shares to the shareholders of DUI, and DUI will become a wholly-owned subsidiary of the Company.

The number of AUI shares to be issued to DUI shareholders in exchange for their DUI shares will be calculated by reference to the pre-tax net tangible assets per share of DUI divided by the pre-tax net tangible assets per share of AUI on the date that is 5 business days before the DUI scheme meeting (**Calculation Date**), determined in the same manner used for each company's weekly 'Net Tangible Asset Backing' announcement to

[2] All times and dates in the above timetable are references to the time and date in Melbourne, Australia and all such times and dates are subject to change. Any changes will be announced by AUI or DUI to the ASX.

the ASX, adjusted for estimated transaction costs associated with the proposed merger to be incurred up to implementation. The final exchange ratio will be calculated and announced to ASX by DUI on or shortly after the Calculation Date.

IPF, which currently holds 16.79% of DUI, will participate in the scheme of arrangement on the same basis, and will receive the same consideration, as the other eligible DUI shareholders.

By way of illustration, based on the latest published monthly 'Net Tangible Asset Backing' for each company as at the date of this notice of meeting and the numbers of shares on issue:

- eligible DUI shareholders would receive approximately 0.4705 AUI shares for each DUI share under the merger;
- IPF would receive a total of 16,931,971 AUI shares for its DUI shares;
- despite that, IPF's shareholding in AUI would be diluted from 41.88% to 31.59% due to the issue of AUI shares to other DUI shareholders; and
- the former shareholders of DUI, including IPF, will hold 43.15% of the enlarged Company (disregarding any pre-existing shareholdings in the Company).

1.3 Overview of the enlarged Company following the merger

(a) Current intentions for the enlarged Company

If the merger proceeds, the Company currently intends to:

- replace the DUI Board (other than Mr Charles Goode AC) with its own nominees and arrange for DUI to be removed from the ASX;
- manage the investment portfolios of the Company and DUI as a single pooled portfolio in accordance with the Company's current investment strategy, to the extent it applies to the pooled portfolio. The Board may consider transferring DUI's investments to the Company and, if this occurs, cause DUI to cease operating its business; and
- review the investment strategy of the enlarged Company. This will include considering the opportunities arising from the increased size of the combined investment portfolio, the expected overall uplift in the tax cost base of the DUI portfolio that would result from the Company and DUI forming a tax consolidated group, and the international investments that currently comprise around 21% of the DUI portfolio (which the Company intends to hold initially). Any material modifications to the Company's investment strategy will be communicated to shareholders.

The composition of AUI's Board is not expected to change and will continue to comprise the current Directors, Mr Charles Goode AC (Chairman), Mr Fred Grimwade, Mr Dion Hershan and Mr Wayne Kent. Mr James Pollard will remain Company Secretary.

The Company will, following implementation of the merger, undertake a detailed operational review of DUI to determine whether any modifications are required in relation to the intentions set out above. The operational review may result in changes to the Company's current intentions.

(b) Investment portfolio of the enlarged Company

Set out below is an overview of the top 25 holdings of the enlarged Company's combined investment portfolio based on the Company's and DUI's holdings as at 31 December 2025. This accounts for approximately 84.40% of the combined investment portfolio.

No.	Security	Market value[3] ($'000)	Percentage of combined portfolio
1	Commonwealth Bank of Australia	305,083	10.0%
2	BHP Group Limited	184,007	6.1%
3	Rio Tinto Limited	183,525	6.0%
4	Transurban Group	166,968	5.5%
5	CSL Limited	166,607	5.5%
6	ANZ Group Holdings Limited	165,347	5.4%
7	Wesfarmers Limited	145,962	4.8%
8	Westpac Banking Corporation	138,964	4.6%
9	ResMed Inc	100,632	3.3%
10	Aristocrat Leisure Limited	98,906	3.3%
11	Washington H Soul Pattinson & Company Limited	89,136	2.9%
12	Macquarie Group Limited	81,280	2.7%
13	Vanguard Information Technology ETF	75,992	2.5%
14	National Australia Bank Limited	74,043	2.4%
15	Vanguard US Total Market Shares Index	73,144	2.4%
16	Challenger Limited	63,612	2.1%
17	CAR Group Limited	56,906	1.9%
18	Woodside Energy Group Ltd	56,616	1.9%
19	Vanguard All-World Ex-US Shares Index ETF	56,258	1.9%
20	Northern Star Resources Ltd	53,460	1.8%
21	Computershare Limited	47,796	1.6%
22	Origin Energy Limited	45,960	1.5%
23	Woolworths Group Limited	45,539	1.5%
24	Newmont Corporation	45,060	1.5%
25	iShares Edge MSCI Min Vol USA ETF	39,394	1.3%
	Total	**2,560,195**	**84.40%**

(c) **Pro forma financial information**

(1) **Overview**

This section presents the pro forma historical consolidated balance sheet of the enlarged Company following implementation of the merger (**Merged Group Pro Forma Balance Sheet**).

The Merged Group Pro Forma Balance Sheet should be read in conjunction with the:

- basis of preparation as set out below;

[3] As at 31 December 2025.

- risks of an investment in the enlarged Company as disclosed in DUI's scheme booklet;
- historical financial information of the Company and DUI, including their accounting policies, as disclosed in their most recently reviewed financial statements; and
- other information contained in this notice of meeting.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding.

Amounts in this section have been rounded to the nearest $1,000.

(2) **Basis of preparation**

The Merged Group Pro Forma Balance Sheet set out in this section has been prepared to provide shareholders with an indication of the financial position of the enlarged Company as if the scheme had been implemented as at 31 December 2025.

The Merged Group Pro Forma Balance Sheet has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards, other than that it includes adjustments, which have been prepared in a manner consistent with the Australian Accounting Standards, that reflect the impact of the pro forma adjustments as if they occurred as at 31 December 2025. By its nature, pro forma historical financial information is illustrative only. Consequently, it does not purport to reflect the actual financial position of the enlarged Company if it had operated on a combined basis for the relevant period. Past performance is not a guide to future performance.

The Merged Group Pro Forma Balance Sheet presented in this section has been derived from:

- the Company's interim financial report for the six months ended 31 December 2025;
- DUI's interim financial report for the six months ended 31 December 2025; and
- the pro-forma adjustments described in this section.

The Company's and DUI's interim financial reports for the six months ended 31 December 2025 were reviewed by KPMG. A copy of these reports can be found on the ASX website and the Company's or DUI's website (www.aui.com.au and www.dui.com.au respectively).

Pro-forma adjustments include the following:

- reversal of inter-entity investment entries in respect of the Company's current shareholding in DUI;
- reversal of inter-entity payables and receivables relating to the administration cost sharing arrangement;
- estimated reset of the tax cost base of DUI's investment portfolio; and
- the issue of new AUI shares as consideration paid to DUI shareholders under the merger, if the merger had been implemented on 31 December 2025.

The Merged Group Pro Forma Balance Sheet is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report or half year report prepared in accordance with the Corporations Act. In particular, it does not include the notes to and forming part of the financial statements of the Company and

DUI. The information provided in this section is presented on a pro forma basis only and is based on numerous assumptions that may or may not reflect the actual financial position of the enlarged Company after implementation of the merger and, as a result, it is likely that this information will differ from the actual financial information of the enlarged Company.

(3) **Merged Group Pro Forma Balance Sheet**

	Notes	AUI 1H 2026 $'000	DUI 1H 2026 $'000	Pro-forma adjustments	Merged Group 1H 2026 $'000
Assets					
Cash and cash equivalents		20,648	8,126	-	28,774
Receivables		2,858	4,660	(28)	7,490
Put option		5,286	-	-	5,286
Other assets		178	107	-	285
Current assets		**28,970**	**12,893**	**(28)**	**41,835**
Investment portfolio	1	1,692,700	1,387,828	(78,932)	3,001,596
Plant and equipment		6	-	-	6
Other assets		182	-	-	182
Non-current assets		**1,692,888**	**1,387,828**	**(78,932)**	**3,001,784**
Total assets		**1,721,858**	**1,400,721**	**(78,960)**	**3,043,619**
Liabilities					
Payables		727	445	(28)	1,144
Call option liability		527	-	-	527
Employee benefits		19	-	-	19
Current tax payable		6,551	2,308	-	8,859
Current borrowings - interest bearing		90,000	30,000	-	120,000
Current Liabilities		**97,824**	**32,753**	**(28)**	**130,549**
Payables		132	-	-	132
Employee benefits		33	-	-	33
Net Deferred tax liability	2	301,234	259,422	(206,344)	354,312
Non-current liabilities		**301,399**	**259,422**	**(206,344)**	**354,477**
Total liabilities		**399,223**	**292,175**	**(206,372)**	**485,026**
Net assets		**1,322,635**	**1,108,546**	**127,412**	**2,558,593**
Equity					
Issued capital	3	437,458	447,297	650,629	1,535,384
Reserves	4	885,177	661,249	(523,217)	1,023,209
Total equity		**1,322,635**	**1,108,546**	**127,412**	**2,558,593**

Notes to the Merged Group Pro Forma Balance Sheet

1 **Investment portfolio**

The balance of the enlarged Company investment portfolio is calculated as:

Pre-merger investment portfolio of AUI	1,692,700
Pre-merger investment portfolio of DUI	1,387,828
Consolidation elimination of AUI's pre-merger holding in DUI	(78,931)
Pro-forma balance	**3,001,596**

2 **Net deferred tax liability**

Following implementation of the proposed merger, the Company intends to form an income tax consolidated group with DUI. In accordance with the Tax Consolidation Rules set down in the Income Tax Assessment Act 1997 (Cth), the Company is required to perform a calculation which resets the tax cost of the underlying assets of DUI, the results of which will be relevant to determining the taxable gain or loss on future disposal of DUI's assets. As a consequence of this calculation, there is expected to be an increase to the tax cost base of DUI's investments under the tax cost setting process which will impact the financial position of the enlarged Company via the net deferred tax liability (**DTL**).

Accordingly, the balance of the enlarged Company's DTL is calculated as:

Pre-merger net deferred tax liability of AUI	301,235
Pre-merger net deferred tax liability of DUI	259,422
Reversal of AUI's DTL on its pre-merger holding in DUI	(13,866)
Adjustment of DTL upon AUI and DUI forming a tax consolidated group	(192,478)
Pro-forma balance	**354,313**

3 **Issued capital**

The balance of the enlarged Company's issued capital is calculated as:

Pre-merger issued capital of AUI	437,458
AUI shares issued as consideration on implementation of merger	1,097,926
Pro-forma balance	**1,535,384**

4 **Reserves**

The balance of the enlarged Company's reserves is calculated as:

Pre-merger Reserves of AUI	885,177
Reversal of AUI's DTL on its pre-merger holding in DUI	13,866
Gain on acquisition	124,166
Pro-forma balance	**1,023,209**

(d) **Capital structure**

The maximum number of shares in the Company to be issued under the merger will be determined on the Calculation Date and is not yet known.

However, by way of illustration, based on the latest published monthly 'Net Tangible Asset Backing' for each company as at the date of this notice of meeting and numbers of shares currently on issue, the total number of shares on issue in the Company will increase from 123,757,577 to 217,685,049 (assuming there are no DUI shareholders that are ineligible to receive shares under the merger).

1.4 Tax implications

The scheme of arrangement should not constitute a CGT event for the Company's shareholders. On this basis, there should be no tax implications for the Company's shareholders under the scheme of arrangement.

This section 1.4 is a general description of the Australian taxation implications for AUI shareholders in respect of the acquisition of DUI shares under the scheme of arrangement that will effect the proposed merger. It does not constitute tax advice and should not be relied upon as such. It is based upon the Australian law in effect at the date of this notice of meeting, but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of any particular AUI shareholder.

For the avoidance of doubt, this section 1.4 is relevant only to those shareholders who were holding AUI shares immediately prior to implementation of the scheme. It does not address tax implications for DUI shareholders that acquire AUI shares under the scheme.

AUI shareholders who are tax residents of a country other than Australia (whether they are also residents or are temporary residents of Australia for tax purposes) should take into account the tax consequences of the scheme of arrangement under the laws of their country of residence.

2 Overview of option agreement with IPF

2.1 Number of shares

The option agreement is in respect of 27,977,060 DUI shares held by IPF and is exercisable by the Company in two tranches:

- first tranche — 12,447,367 shares, representing approximately 5.81% of DUI; and
- second tranche — 15,549,693 shares, representing approximately 7.26% of DUI.

The number of DUI shares to be acquired under the first tranche will be scaled back if, at the time of exercise, the value of those shares is 5% or more of the equity value of the Company. If that occurs, the shares to be acquired under the second tranche would be increased by a corresponding number such that the overall number of shares remains unchanged.

In addition, to ensure compliance with the Corporations Act and ASX Listing Rules, the first and second tranche are subject to an overall cap to ensure that the Company will not acquire more than 19.9% voting power in DUI shares under the option agreement or breach ASX Listing Rule 10.11 by issuing fully paid ordinary AUI shares.

A copy of the option agreement is attached to AUI's substantial holder notice in respect of DUI released to the ASX on 30 January 2026 and can be obtained from the ASX website (www.asx.com.au).[4]

2.2 When can the Company exercise the option?

The Company can only exercise the option if a 'Competing Proposal' (as defined in the option agreement) for DUI is either announced to ASX or received by DUI.

In addition, the Company is required by the ASX Listing Rules to seek shareholder approval for acquisition of shares in DUI held by, and the issue of fully paid ordinary

[4] On 23 February 2026, the Company and IPF amended the option agreement to clarify that the number of fully paid ordinary AUI shares to be issued under the option is capped at the number that may be issued without contravening ASX Listing Rule 10.11 (which may result in a zero cap).

shares to, IPF under the option agreement. Resolution 2 will, if passed, provide that approval.

2.3 What is the exercise price for the option?

The consideration payable by the Company under the option agreement is fully paid ordinary shares in AUI. The number of shares to be issued to IPF in exchange for its DUI shares will be calculated by reference to the pre-tax net tangible assets per share of DUI divided by the pre-tax net tangible assets per share of AUI as stated in the latest published weekly 'Net Tangible Asset Backing' for each company at the time of exercise.

This is the same basis of consideration that is payable to all eligible DUI shareholders under the proposed merger, except that under the merger the exchange ratio is adjusted for estimated transactions costs associated with the proposed merger to be incurred up to implementation.

2.4 Follow on transactions

If the option is exercised and within 12 months of the date of the option agreement the Company subsequently increases the consideration payable under the proposed merger, or disposes of the DUI shares acquired under the option to a third party pursuant to a takeover bid or scheme of arrangement for greater consideration than the Company paid to IPF under the option agreement, the Company has agreed to increase the consideration paid to IPF under the option agreement to that increased or greater amount, as applicable.

2.5 Maximum increase in IPF’s voting power

The maximum number of shares in the Company to be issued to IPF under the option agreement, and therefore the maximum increase in IPF’s voting power in shares in the Company, will be based on the Company’s and DUI’s latest weekly 'Net Tangible Asset Backing' per share, the share counts of the Company and DUI, and the number of Company shares held by IPF, at the time the option is exercised. As the exercise time is not certain (and these figures may change), it is not possible to currently determine the maximum increase in IPF’s voting power in shares in the Company.

However, based on the latest figures as at the date of this notice of meeting, it is expected that the maximum increase in IPF’s voting power in shares in the Company if the option is exercised will be an increase from 41.88% to 47.47%. Notwithstanding the uncertainty noted above, the maximum increase is not expected to materially change from this number.

As the increase in IPF’s voting power is expected to be 2.59% more than IPF’s current 3% creep capacity as permitted by the Corporations Act, the Company is seeking shareholder approval to issue the excess shares to IPF. Resolution 3 will, if passed, provide that approval.

The option agreement provides that, if the issue of the additional 2.59% of shares to IPF would not be permitted under the takeovers legislation (because, for instance, resolution 3 is not passed), the Company may provide the consideration to IPF under the option in the form of a different instrument that would not contravene the takeovers legislation, but carries an economic entitlement equivalent to an ordinary share in the Company, subject to the Company and IPF agreeing the terms of the instrument. The different instrument can also be provided to IPF if issuing fully paid ordinary AUI shares would contravene ASX Listing Rule 10.11.

Regardless of whether the option is exercised, if the proposed merger proceeds, based on the latest figures as at the date of this notice of meeting, IPF's voting power will be diluted to 31.59%.

2.6 IPF's intentions

The Board does not consider that IPF's level of control over the Company will, as a practical matter, increase, even if the option is exercised.

Notwithstanding this, to comply with ASIC's policy relating to shareholder approved acquisitions, the Company has requested IPF to confirm that, and IPF has confirmed that, it does not have any current intention:

- to change the business of the Company;
- to inject further capital into the Company, other than pursuant to the Company's dividend reinvestment plan;
- regarding the future employment of present employees of the Company;
- regarding any proposal where assets will be transferred between the Company and IPF or their associates;
- to otherwise redeploy the fixed assets of the Company; or
- to significantly change the financial or dividend distribution policies of the entity.

2.7 When does the option agreement lapse?

The option agreement lapses if it is not exercised on the earlier to occur of:

- 30 January 2027, being the date that is 12 months after the date of the option agreement;
- the date on which the scheme of arrangement for the proposed merger becomes legally effective;
- the merger implementation deed for the proposed merger is terminated (or the Company or DUI has a right to terminate) where AUI has not announced a takeover bid for DUI prior to termination, or where AUI has announced a takeover bid, but the takeover bid has lapsed; and
- the Company receiving acceptances under a takeover bid for DUI which increase its relevant interest in DUI to at least 50% and the bid has been declared free of defeating conditions.

3 Why is shareholder approval required?

3.1 Proposed merger with DUI

ASX Listing Rule 10.1 provides that a listed company must not acquire or agree to acquire a substantial asset (being an asset the value of which exceeds 5% of the equity interests of the company) from a person who is a substantial (10%+) holder in the company, unless it obtains approval of its shareholders.

As IPF is a substantial (10%+) holder in the Company under ASX Listing Rule 10.1.3, and the proposed merger with DUI involves the acquisition of a substantial asset (being IPF's shares in DUI), the proposed merger therefore requires the approval of the Company's shareholders.

Resolution 1 seeks the required approval. If resolution 1 is passed, the merger may proceed, subject to the satisfaction or waiver of the other conditions precedent to implementation. If resolution 1 is not passed, the merger with DUI may not proceed, unless the requirement for shareholder approval no longer applies (because, for example, a waiver from the requirement is granted by ASX or IPF's DUI shares no longer constitute a substantial asset).

3.2 Option agreement with IPF

For the reasons outlined above, ASX Listing Rule 10.1 also applies to the acquisition of IPF's shares in DUI under the second tranche of the option agreement. The exercise of the second tranche therefore requires the approval of the Company's shareholders under ASX Listing Rule 10.1.

In addition, ASX Listing Rule 10.11 provides that a listed company must not issue or agree to issue equity securities to certain specified persons, including a person who is a substantial (30%+) shareholder in the company, unless it obtains the approval of its shareholders.

As IPF is a substantial (30%+) holder in the Company under ASX Listing Rule 10.11.2, it therefore requires the approval of the Company's shareholders for the issue of fully paid ordinary shares to IPF under the option.

Resolution 2 seeks the required approvals under ASX Listing Rules 10.1 and 10.11. If resolution 2 is passed, the Company may acquire the DUI shares under the second tranche, and may issue fully paid ordinary shares to IPF in settlement of the first and second tranches. Shareholders should note that any approval under ASX Listing Rule 10.11 is usually valid for one month only after the date of the meeting. Accordingly, if the option is not exercised and the fully paid ordinary shares are not issued within that one-month period, the ASX Listing Rule 10.11 approval will expire (unless a waiver from the requirement is granted by ASX). This limitation does not apply to the ASX Listing Rule 10.1 approval.

If resolution 2 is not passed, the Company may not exercise the second tranche, and may not settle either the first or the second tranche with fully paid ordinary shares in the Company. However, the Company may still exercise the first tranche and settle it in the form of a different instrument, as outlined in section 2.5 of the explanatory memorandum above. Similarly, the different instrument may be issued instead of fully paid ordinary shares if the ASX Listing Rule 10.11 approval expires.

Lastly, shareholder approval is being sought pursuant to section 611, item 7 of the Corporations Act to permit IPF to increase its voting power in Company shares in excess of IPF's 3% creep capacity under the option agreement.

Resolution 3 seeks the required approval. If resolution 3 is passed (and assuming resolution 2 is also passed), the Company may issue shares to IPF in excess of its 3% creep capacity under the option agreement. If resolution 3 is not passed (but assuming resolution 2 is still passed), the Company may issue shares within IPF's 3% creep capacity and the remainder of the consideration payable to IPF would be provided in the form of a different instrument, as outlined in section 2.5 above.

In addition, shareholders should note that, if resolution 3 is passed, the need for shareholder approval under ASX Listing Rule 10.11 falls away (as does the one-month time limit referred to above) as an issue of shares approved for the purposes of section

611, item 7 of the Corporations Act is exempted from the ASX Listing Rule 10.11 approval requirement.

4 Additional information

4.1 Independent expert’s report

The Board appointed Lonergan Edwards & Associates Limited as independent expert to provide an opinion on whether the acquisition of IPF’s shares in DUI under the proposed merger and the option, and the issue of AUI shares to IPF under the option, are fair and reasonable to shareholders not associated with IPF.

The independent expert has determined that the:

- acquisition of IPF’s shares in DUI under the merger is fair and reasonable;
- acquisition of IPF’s shares in DUI under the option is fair and reasonable; and
- issue of AUI shares to IPF under the option is not fair, but reasonable,

in each case to shareholders not associated with IPF.

In relation to the third conclusion, shareholders should note, as the independent expert itself notes, that ASIC policy required the independent expert to assess the issue of AUI shares to IPF under the option as if it were a control transaction, which has ultimately led to the “not fair” component of the conclusion. However, the independent expert acknowledges in its report that, if the option is exercised, it is not expected to result in any meaningful change in IPF’s practical control of AUI. Accordingly, when this fact and the advantages of the option for AUI are factored in, the independent expert considers that the issue of AUI shares to IPF under the option is **reasonable** in the circumstances.

The independent expert’s report is set out in Attachment 1. Shareholders are encouraged to carefully read the independent expert’s report before voting on the resolutions.

None of the Company, DUI, or any of their respective directors, officers, employees or advisers assumes any responsibility for the accuracy or completeness of the information contained in the independent expert's report.

4.2 Directors’ interests in DUI shares

Charles Goode AC holds 8,042,310 shares in DUI and will receive shares in AUI if the merger proceeds in his capacity as a DUI shareholder. No other AUI director holds any shares in DUI.

4.3 Responsibility statements and consents

The Company is responsible for the ‘AUI Information’ (as defined in the merger implementation deed) contained in this notice of meeting.

DUI is responsible for the ‘DUI Information’ (as defined in the merger implementation deed) contained in this notice of meeting.

This notice of meeting contains statements made by, or statements said to be based on statements made by:

- IPF in respect of its intentions in section 2.6 of the explanatory memorandum; and

- Lonergan Edwards & Associates Limited as the independent expert.

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent as at the date of this notice of meeting.

Attachment 1

Independent expert's report

ABN 53 095 445 560
AFS Licence No. 246532
Level 7, 64 Castlereagh Street
Sydney NSW 2000 Australia

Telephone: +61 2 8235 7500
www.lonerganedwards.com.au

The Directors
Australian United Investment Company Limited
Level 20, 101 Collins Street
Melbourne VIC 3000

10 March 2026

Subject: Independent Expert's Report – Proposed acquisition of DUI shares from a substantial shareholder

Summary of opinions			
Resolution	**Opinion**	**Summary of opinion**	**Detailed Evaluation**
Approval for the acquisition of DUI shares from IPF under the Proposed Merger	Fair and reasonable	Paragraph 18	Section IX
Approval of the exercise of the IPF Option under ASX Listing Rule 10.1	Fair and reasonable	Paragraph 39	Section X
Approval of the exercise of the IPF Option under s611(7)	Not fair but reasonable	Paragraph 39	Section X

Dear Directors

Introduction

Proposed Merger

1 On 30 January 2026, Australian United Investment Company Ltd (AUI or the Company) announced it had entered into a merger implementation deed (MID) for a proposed merger with Diversified United Investment Ltd (DUI) to be implemented by way of a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (Corporations Act) (the Scheme or Proposed Merger). Under the Proposed Merger, AUI will acquire all the shares in DUI that it does not currently hold[1], in exchange for newly issued AUI shares, with the exchange ratio to be determined based on the pre-tax net tangible assets (NTA) per share of DUI divided by the pre-tax NTA per share of AUI as at five business days before the Scheme meeting, as adjusted for estimated transaction costs (Scheme consideration[2]).

1 AUI currently holds 14.644 million (or 6.8%) of the total shares on issue in DUI through its custodian Mutual Trust Pty Ltd.

2 Based on the pre-tax NTA backing as at 28 February 2026, DUI shareholders would receive 0.4705 AUI shares for each DUI share held.

Authorised Representatives:
Julie Planinic* • Nathan Toscan • Hung Chu • Grant Kepler* • Martin Hall • Jorge Resende • Brett Aalders • Wayne Lonergan • Craig Edwards

* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.

2 If the Proposed Merger is approved and implemented, AUI shareholders and DUI shareholders are currently estimated to own approximately 56.9% and 43.1% of the Merged Group (i.e. the enlarged combined AUI post-merger) respectively (based on the estimated exchange ratio of 0.4705 calculated as at 28 February 2026)[3]. The Proposed Merger will make AUI a much larger entity and the Merged Group is expected to benefit from increased scale, allowing for increased investment flexibility in managing the expanded portfolio. Furthermore, the AUI Board expects that the larger size of the listed entity will result in increased liquidity of the Merged Group and may lead to a reduction in the trading discount of the share price to the pre-tax NTA of the Merged Group.

3 However, the Proposed Merger requires the approval of DUI shareholders and the Court before it can proceed, as well as the satisfaction, or waiver of a number of conditions precedent, including the approval of specified AUI shareholders, as summarised in Section I of this report.

4 The need for specified AUI shareholder approval arises because the Proposed Merger (which includes the acquisition of a substantial asset from The Ian Potter Foundation Ltd (IPF), a substantial shareholder) is considered a transaction with persons in a position of influence. IPF is a substantial shareholder in both AUI and DUI, holding approximately 41.9% and 16.8% of their respective issued shares[4]. Under the Proposed Merger, IPF will receive approximately 16.9 million new AUI shares as consideration for its interest in DUI[5], which constitutes the acquisition by AUI of a substantial asset[6]. As this aspect of the Proposed Merger involves AUI acquiring a substantial asset from a substantial shareholder, ASX Listing Rule 10 – *Transactions with persons in a position of influence* (specifically Rule 10.1), requires AUI to obtain approval of the Proposed Merger from AUI shareholders other than IPF and its associates (AUI Shareholders), by way of an ordinary resolution (at a general meeting) of AUI Shareholders.

IPF Option

5 In conjunction with entering into the MID, on 30 January 2026, AUI also entered into a call option agreement with IPF (for consideration of $10) under which AUI has the right to acquire up to 27.997 million DUI shares from IPF, representing 13.07% of the shares in DUI, in exchange for newly issued AUI shares (IPF Option). The IPF Option (together with AUI's existing shareholding in DUI) provides AUI with a relevant interest in 19.9% of DUI's shares.

6 The exchange ratio for the IPF Option is to be determined based on the pre-tax NTA per share of DUI divided by the pre-tax NTA per share of AUI as stated in the most recently published notice to the ASX for each company prior to the date of the option being exercised (i.e. the

---

3 Being the most recently published pre-tax NTA available as at the date of our report. However, as the exchange ratio for the Proposed Merger will be determined by reference to the relevant pre-tax NTAs prevailing on the Scheme Calculation Date (the date which is five business days before the Scheme meeting), adjusted for transaction costs, the precise number of AUI shares to be issued to DUI shareholders (and the proportion of the Merged Group held by AUI / DUI shareholders) cannot be known in advance.

4 For the purposes of Australian Securities Exchange (ASX) Listing Rule 10.1, a substantial shareholder is defined as a person that holds a relevant interest in the entity of 10% or more (or has held the same at any time in the last six months).

5 Includes the 5.9 million shares in DUI held by The Ian Potter Foundation Ltd (No 1 GA A/c).

6 The ASX Listing Rules consider an asset to be substantial if its value, or the value of the consideration for it, is 5% or more of the book value of the equity interests of the entity as set out in the latest accounts provided to the ASX under the ASX Listing Rules.

same relative basis adopted to determine the Scheme consideration under the Proposed Merger, except that the Scheme consideration is adjusted for transaction costs).

7 The IPF Option is only exercisable if a competing proposal for DUI is either announced on the ASX or received by DUI. In such circumstances, the shares subject to the option (Option Shares) may be acquired by AUI in two tranches:

(a) **First Option** – an initial tranche of 12.447 million DUI shares (representing approximately 5.8% of DUI), which would result in the issue of some 5.9 million new AUI shares to IPF (based on the estimated exchange ratio of 0.4705 as at 28 February 2026), an increase of some 2.6% in IPF's relevant interest in AUI to 57.7 million shares or approximately 44.5%[7]

(b) **Second Option** – a tranche of 15.550 million DUI shares (representing approximately 7.3% of DUI), which would result in the issue of some 7.3 million new AUI shares to IPF (based on an indicative exchange ratio of 0.4705 as at 28 February 2026), an increase of some 3.0% in IPF's relevant interest in AUI to 65.0 million shares or approximately 47.5%[8].

8 The exercise of the Second Option would result in AUI acquiring a substantial asset from a substantial holder (as the 5.0% substantial asset threshold would be exceeded) and would also (individually and when aggregated with the First Option) increase IPF's relevant interest in AUI by more than the 3% permitted under the "creep" provisions of the Corporations Act. Accordingly, AUI may only issue ordinary AUI shares upon exercise the Second Option if it has:

(a) satisfied the requirements of ASX Listing Rule 10.1, including obtaining AUI Shareholder approval

(b) obtained the prior approval of AUI Shareholders pursuant to s611(7) of the Corporations Act to the extent that it increases IPF's relevant interest in AUI by more than the 3% permitted under the "creep" provisions of the Corporations Act.

9 In addition, AUI Shareholder approval is required under ASX Listing Rule 10.11[9] to issue any new ordinary AUI shares to IPF under the IPF Option.

10 In the event that AUI does not receive shareholder approval for the issue of ordinary AUI shares to IPF under ASX Listing Rule 10.11 or s611(7) of the Corporations Act, IPF will receive the consideration in the form of an instrument that is (inter alia) non-voting and convertible to ordinary AUI shares on a staged basis over time such that the requirements of ASX Listing Rule 10.11 and section 606 of the Corporations Act are not contravened, subject to AUI and IPF agreeing the terms of that instrument.

---

7 The enlarged number of AUI shares approximates 129.6 million shares (being 123.8 million AUI shares currently on issue plus the 5.9 million new AUI shares upon exercise of the First Option).

8 The enlarged number of AUI shares approximates 136.9 million shares (being 123.8 million AUI shares currently on issue, plus the 5.9 million new AUI shares issued upon exercise of the First Option, plus the 7.3 million new AUI shares issued upon the exercise of the Second Option).

9 The issue of shares to IPF on exercise of the IPF Option is subject to AUI Shareholder approval under ASX Listing Rule 10.11, which covers the issue of securities to a substantial (≥30%) shareholder in the entity.

AUI

11 AUI is an internally managed listed investment company (LIC) that specialises in Australian listed equities. The Company was founded in 1953 by the late Sir Ian Potter, whose foundation, The Ian Potter Foundation Ltd (IPF) continues to remain the largest single shareholder. AUI's investment objectives are to create and maintain a diversified portfolio of shares in Australian companies to provide sustainable dividend income and capital appreciation over the long term. As at 31 December 2025, AUI had a total investment portfolio of some $1.7 billion.

DUI

12 DUI is an internally managed LIC that was founded in founded in 1991 by IPF, AUI and the Myer family. DUI's investment objectives are to create and maintain a diversified portfolio which predominantly comprises shares of companies listed on the ASX with additional exposure to international markets, to provide sustainable dividend income and capital appreciation over the long term. As at 31 December 2025, DUI had a total investment portfolio of $1.4 billion.

Purpose of report

13 ASX Listing Rule 10.5.10 requires the notice of general meeting sent to shareholders for the purposes ASX Listing Rule 10.1 to include a report from an independent expert stating whether a proposed transaction is "fair and reasonable" to the non-associated shareholders.

14 The Corporations Act requires securityholders that are approving a resolution pursuant to s611(7) to be provided with all material information in relation to the proposed transaction. Australian Securities & Investments Commission (ASIC) Regulatory Guide 74 – *Acquisitions approved by members* (RG 74) states that the directors of an entity should commission an expert's report or, if the directors have the expertise, prepare a detailed director's report to the same standard, in order to discharge the information disclosure requirements imposed upon the entity by the Corporations Act.

15 No independent expert's report is required in respect of the AUI Shareholder approval for the purposes of ASX Listing Rule 10.11.

16 Given the above, the Directors of AUI have requested that Lonergan Edwards & Associates Limited (LEA) prepare an independent expert's report (IER) to accompany the notice of meeting to be sent to shareholders of AUI stating whether, in LEA's opinion, the:

(a) Proposed Merger (which includes the acquisition of a substantial asset from IPF, a substantial shareholder) is "fair and reasonable" to AUI Shareholders when assessed in accordance with ASX Listing Rule 10.1[10]

(b) exercise of the IPF Option (which would result in the acquisition of DUI shares from IPF and issue of ordinary AUI shares to IPF) is:

(i) "fair and reasonable" to AUI Shareholders when assessed in accordance with ASX Listing Rule 10.1; and separately

(ii) "fair and reasonable" to AUI Shareholders when assessed in accordance with s611(7) of the Corporations Act.

---

[10] To satisfy the requirements of ASX Listing Rule 10.5.10.

17 LEA is independent of AUI, DUI and IPF and has no other involvement or interest in the Proposed Merger and/or the IPF Option (the Proposed Transactions).

Summary of opinion (Proposed Merger)

18 In our opinion, the acquisition of the DUI shares from IPF under the Proposed Merger is fair and reasonable to AUI Shareholders (i.e. AUI shareholders not associated with IPF). We have formed this opinion for the reasons set out below.

Basis of assessment

19 As IPF will receive the same consideration for its DUI shares under the Proposed Merger as all other DUI shareholders (i.e. the IPF related party transaction is a component of the Proposed Merger), in our opinion, the most appropriate basis upon which to assess the fairness and reasonableness of the related party component of the Proposed Merger is to determine whether the Proposed Merger is fair and reasonable as a whole.

20 If the Proposed Merger is considered fair and reasonable as a whole, then the acquisition of IPF's DUI shares, which would occur as part of the Proposed Merger on identical terms to those applying to all other DUI shareholders, must also be fair and reasonable to AUI Shareholders for the purposes of ASX Listing Rule 10.1.

21 The Proposed Merger is not structured as a change of control transaction and there was no intention for the merger terms to deliver a control premium to DUI shareholders. Furthermore, ownership of the Merged Group will be shared between each group of shareholders (56.9% by AUI and 43.1% by DUI) and operational control is expected to remain relatively unchanged.

22 Accordingly, as noted in Section II, LEA has assessed the Proposed Merger (as a whole) as a "merger of equals" rather than a change of control transaction. The key issues in respect of the Proposed Merger from the perspective of AUI shareholders (as a whole) is therefore whether:

(a) AUI shareholders obtain a collective ownership interest in the Merged Group that is consistent with (or greater than) the relative value they contribute to the Merged Group

(b) from a value perspective, AUI shareholders are likely to be better off if the Proposed Merger proceeds

(c) the advantages of the Proposed Merger outweigh the disadvantages.

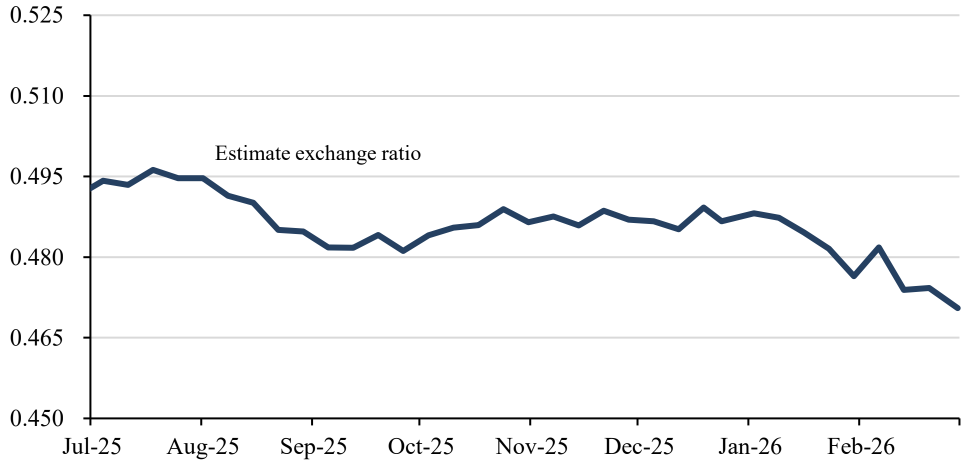
Relative value contribution

23 As stated above, in assessing a merger, one of the key considerations is whether the value contributed by each of the merger partners is consistent with the merger terms (i.e. whether the value contributed to the merged entity is consistent with the respective collective ownership interests each group of shareholders will hold in the merged entity). Consequently, when assessing mergers it is important that a consistent basis of valuation be used. That is, when assessing the relative value contribution, both companies should be valued either with or without a premium for control. This reflects the fact that it is the relative value of each company which is relevant to the assessment rather than each company's absolute value.

24 If the Proposed Merger is approved and implemented, DUI shareholders are currently estimated to receive 0.4705 AUI shares for each DUI share held, based on the weekly pre-tax NTA of AUI and DUI as at 28 February 2026[11] (Estimated Exchange Ratio). This would result in AUI shareholders holding an aggregate interest in the Merged Group of some 56.9% (Estimated AUI Merged Group Interest), while DUI shareholders will hold an aggregate interest of some 43.1%.

25 However, as the exchange ratio for the Proposed Merger will be determined by reference to the relevant pre-tax NTAs prevailing on the Scheme Calculation Date, the precise number of AUI shares to be issued to DUI shareholders (and the proportion of the Merged Group held by AUI / DUI shareholders) cannot be known in advance. That said, due to the relatively high degree of overlap between the investment portfolios of AUI and DUI, movements in their respective pre-tax NTAs have historically been closely aligned as illustrated in the exchange ratio chart below:

Estimated Exchange Ratio based on pre-tax NTA per share[(1)]
1 July 2025 to 28 February 2026



Note:
1 Exchange ratio is based upon the reported weekly pre-tax NTA of AUI and DUI.
Source: AUI and DUI weekly pre-tax NTA announcements and LEA analysis.

26 Accordingly, the precise aggregate interest that each shareholder group will acquire in in the Merged Group is likely to be very similar to the estimated position set out above (i.e. 56.9% and 43.1%).

27 For the purpose of forming our view on this aspect of our overall assessment, we have considered the relative value contributed by AUI shareholders to the Merged Group as compared to the Estimated AUI Merged Group Interest, primarily by reference to the following:

(a) LEA's estimates of the underlying minority interest value of each company

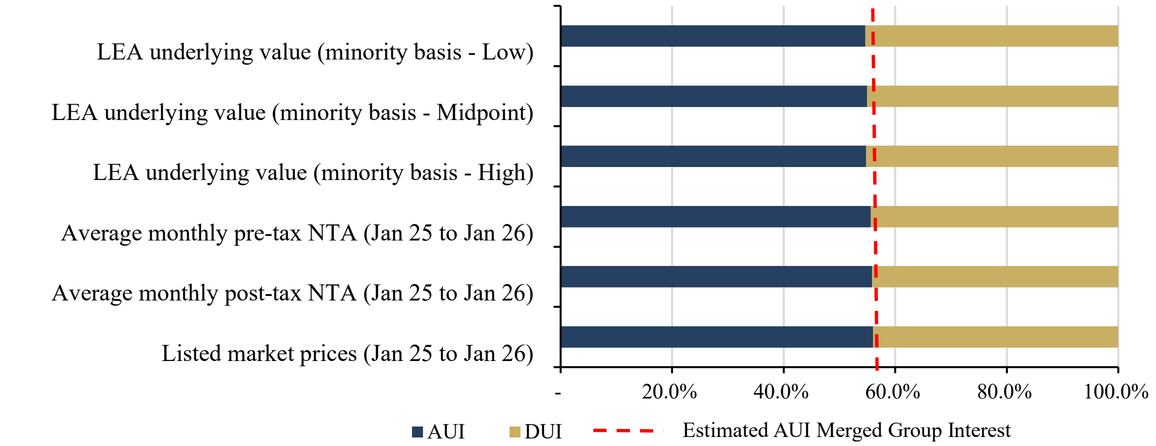
(b) the pre and post-tax NTA per share of both AUI and DUI

(c) the listed market price of both AUI and DUI.

11 Being the most recently published pre-tax NTA available as at the date of our report.

28 The contribution of value by AUI shareholders to the Merged Group relative to the Estimated AUI Merged Group Interest is summarised graphically below:

Relative value contributions to the Merged Group



Source: AUI and DUI monthly NTA announcements, FactSet and LEA analysis.

29 On balance, the analysis above indicates that the Estimated AUI Merged Group Interest (of some 56.9%) is broadly consistent with the relative value AUI is contributing to the Merged Group. As a result, in our opinion, the Merger terms are fair when assessed in accordance with the guidelines set out in RG 111.

Value position before and after implementation of the Proposed Merger

30 In addition to assessing "fairness" by reference to relative value contributions, we have also compared the position of AUI shareholders before and after implementation of the Proposed Merger taking into account the value of the synergies and other benefits that are expected to be generated should the Proposed Merger proceed. Our comparison has been undertaken on a like-with-like basis by comparing our assessed value of a minority interest in AUI prior to the announcement of the Proposed Merger with our assessed value of AUI shares if the Proposed Merger is approved and implemented, which has also been assessed on a minority interest basis. As set out in Sections VI and VIII, our underlying value assessment of AUI pre and post the Proposed Merger has been undertaken adopting a valuation date of 31 December 2025.

31 The following table summarises our analysis:

Comparison of underlying AUI share value (minority basis) pre and post the Proposed Merger

	Paragraph	Low $	High $
Minority interest value of AUI shares (Pre-Merger)	193	10.79	11.55
Minority interest value of AUI shares (Post-Merger)	230	11.57	12.24
Potential value uplift based on underlying values		0.78	0.69
Potential value uplift based on underlying values (%)		*7.2%*	*6.0%*

32 Our assessed value of AUI shares post implementation of the Proposed Merger exceeds our assessment of the underlying value of a minority interest in AUI on a standalone basis (i.e. in

the absence of the Proposed Merger). This is primarily because of the potential reduction in the DTL on DUI's investment portfolio that may arise from the Proposed Merger. Accordingly, from a value perspective, AUI shareholders are likely to be better off if the Proposed Merger proceeds.

33 In addition to our underlying value assessment, we have also considered the position of AUI shareholders based on trading of AUI shares pre and post the announcement of the Proposed Merger. However, we have limited our analysis of the post announcement trading to the close of trading on 27 February 2026 as subsequent to this date the Australian sharemarket has been impacted by the conflict in the Middle East which began on 28 February 2026. In our opinion, any comparison of pre and post share trading after 27 February 2026 is therefore not a relevant reference point for the purposes of assessing AUI shareholders' position pre and post the Proposed Merger[12].

34 AUI shares generally traded (on a cum dividend basis) in the range of $11.30 to $11.50 in the period from 30 January 2026 to 27 February 2026 with a VWAP of $11.40[13]. A comparison of these trading prices to the AUI market trading prices prior to the announcement of the Proposed Merger is summarised below:

Comparison of AUI share trading pre and post announcement of the Proposed Scheme

	AUI share price	Increase / (decrease) in value[(1)]	
	$	$	%
Closing share price on 29 Jan 26	11.30	0.10	0.9
VWAP on 29 Jan 26	11.29	0.11	1.0
1 week VWAP to 29 Jan 26	11.27	0.13	1.1
1 month VWAP to 29 Jan 26	11.30	0.10	0.9

Note:
1 Compared to the post announcement VWAP from 30 January 2026 to 27 February 2026 of $11.40 (on a cum 1H26 dividend basis).

35 Although the above analysis also indicates that the Merger is value accretive to AUI shareholders (albeit less so than that based on our underlying value assessments), we note that the value of AUI's investment portfolio had also slightly increased post announcement of the Proposed Merger up to 27 February 2026. Furthermore, as noted in Section VIII, the AUI share price post announcement of the Proposed Merger does not appear to fully incorporate the potential benefits arising under the Proposed Merger when measured on a post-tax NTA basis.

Advantages versus disadvantages

36 We summarise below the likely advantages and disadvantages of the Proposed Merger from the perspective of AUI shareholders:

12 We note that the decline in AUI's share price post 27 February 2026 is broadly consistent with that of the ASX 100 Index as at 9 March 2026 (noting the AUI portfolio is primarily comprised of ASX 100 companies).

13 On 27 February 2026, AUI shares traded ex entitlement to the 0.17 cent FY26 interim dividend. Share trading on this date has therefore been adjusted to include an allowance for the FY26 interim dividend (i.e. to reflect estimated trading in AUI shares on a cum dividend basis).

Advantages

(a) AUI shareholders are likely to hold an interest in the Merged Group that is broadly consistent with the value contributed by AUI to the Merged Group

(b) based on our assessment of the underlying value of AUI shares pre and post-merger, AUI shareholders are likely to be better off from a value perspective if the Proposed Merger proceeds

(c) IPF's interest in AUI will be substantially diluted (from approximately 41.9% to 31.6%) and the Merged Group will have a more a more widely dispersed share register which may result in increased liquidity and greater trading depth than is currently experienced by AUI shareholders. This, coupled with the increased size of AUI, may lead to a reduction in the discount to which AUI currently trades relative to its pre-tax NTA per share

(d) there may be opportunities which arise from investment flexibility due to the increased size of the combined investment portfolio

(e) the Proposed Merger is expected to result in annual cost savings of $0.7 million per annum, which will slightly reduce AUI's MER.

Disadvantages

(f) AUI shareholders will have an increased and now direct exposure to DUI's investments in international ETFs and managed funds which may not align with individual AUI shareholder investment objectives.

Conclusion

37 Based on the above, we consider the advantages of the Proposed Merger to outweigh the disadvantages when considered from the perspective of AUI. Accordingly, in our opinion, the Proposed Merger is fair and reasonable to AUI shareholders.

38 Given our opinion on the Proposed Merger from the perspective of AUI shareholders as a whole and that the acquisition of IPF's DUI shares would occur on identical terms to those applying to all other DUI shareholders, in our opinion, the related party component of the Proposed Merger must also be fair and reasonable to AUI Shareholders for the purposes of ASX Listing Rule 10.1.

Summary of opinion (IPF Option)

39 Having regard to the relevant assessment frameworks, in our opinion:

(a) the acquisition of DUI shares from IPF on exercise of the IPF Option is fair and reasonable to AUI Shareholders when assessed in accordance with ASX Listing Rule 10.1

(b) the issue of AUI shares to IPF on exercise of the IPF Option is not fair but reasonable to AUI Shareholders when assessed in accordance with s611(7).

40 We have formed these views for the reasons outlined below.

Basis of assessment

41 AUI Shareholder approval is required for the exercise of the IPF Option under ASX Listing Rule 10.1 (as it would involve the acquisition of a substantial asset from a substantial holder) and s611(7) of the Corporations Act (as it would result in IPF increasing its interest in AUI shares by more than the 3% permitted under the "creep" provisions)[14].

42 The assessment criteria applied by an expert in evaluating the IPF Option differs between the ASX Listing Rules and the Corporations Act. The primary difference lies in the basis upon which "fairness" must be assessed:

IPF Option – basis for "fairness" assessment		
	ASX Listing Rule 10.1	**s611(7)**
Comparing:	• the value of the AUI shares issued as consideration upon exercise of the IPF Option on a standalone basis • the value of DUI shares being acquired under the IPF Option	• the controlling interest value of AUI shares prior to the exercise of the IPF Option • the minority interest value of AUI shares following the exercise of the IPF Option (being the deemed "consideration" provided to AUI Shareholders)
"Fair" if:	• the value of the AUI shares offered as consideration is equal to or less than the value of the DUI shares acquired from IPF	• the minority interest value of AUI shares following the exercise of the IPF Option must be equal to or greater than the controlling interest value of AUI shares before the exercise of the IPF Option
Reference	• RG 111.57 and 58	• RG 111.25

43 In summary, the ASX Listing Rules require an assessment of whether AUI is overpaying IPF for the DUI shares, whereas the Corporations Act requires the issue of shares under the IPF Option to be assessed as a control transaction, consistent with the principles applicable to takeover transactions.

44 The factors relevant to the assessment of reasonableness are otherwise broadly consistent under both frameworks.

"Fairness" under ASX Listing Rule 10.1

45 Pursuant to RG 111, a related party transaction / transaction with persons in a position of influence per ASX Listing Rule 10.1 is "fair" if the value of the financial benefit being offered by the entity to the related party (in this instance, the consideration provided to IPF) is equal to or less than the value of the assets being acquired from the related party (in this instance, DUI shares).

46 This comparison, as it applies to the exercise of the IPF Option, is set out below.

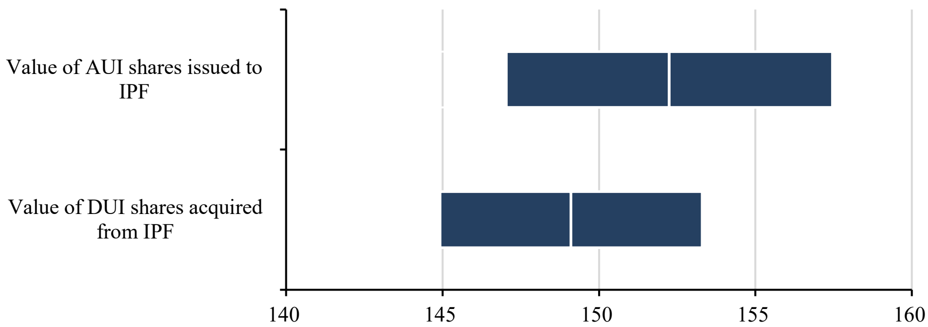
[14] In addition, AUI Shareholder approval is required under ASX Listing Rule 10.11 to issue any new ordinary AUI shares to IPF under the IPF Option (because IPF holds a greater than 30% interest in AUI). However, no opinion from an independent expert is required in respect of the AUI Shareholder approval for the purposes of ASX Listing Rule 10.11.

IPF Option – assessment of fairness[1]	First Option		Second Option		Total – IPF Option	
	Low	High	Low	High	Low	High
Value of AUI shares to be issued to IPF						
Shares issued (million)[2]	6.1	6.1	7.6	7.6	13.6	13.6
Value per AUI share ($)[3]	10.79	11.55	10.79	11.55	10.79	11.55
Total value ($m)	65.4	70.0	81.7	87.5	147.0	157.5
Value of DUI shares acquired by AUI						
Number of shares (million)[2]	12.4	12.4	15.5	15.5	28.0	28.0
Value per DUI share ($)[4]	5.18	5.48	5.18	5.48	5.18	5.48
Total value ($m)	64.4	68.2	80.5	85.1	144.9	153.3

Note:
1 Rounding differences may exist.
2 The number of AUI shares to be issued is based on the implied exchange ratio of 0.487 as at 31 December 2025. This is consistent with the date at which the underlying value of the shares in AUI and DUI (i.e. the financial benefit being offered to IPF / the value of the asset that would be acquired by AUI from IPF) have been assessed.
3 For the purposes of assessing the value of the AUI shares offered to IPF we have had regard to our assessed minority interest value of AUI shares set out in Section VI, on the basis that the exercise of the IPF Option would not be expected to have any material impact on the minority interest value of AUI shares.
4 Based on our assessed minority interest value of DUI shares set out in Section VIII. We note that a competing proposal may result in a higher value being offered for DUI shares, however we have conservatively adopted our assessed value for the purposes of the above comparison.

47 A graphical comparison of the total value of the AUI shares that would be issued to IPF relative to the value of the DUI shares that would be acquired is set out below:

Comparison of the assessed value of DUI shares relative to the AUI share consideration offered[1]
$million



Note:
1 The white line positioned at the middle of our valuation range signifies the mid-point.

48 As the consideration offered is scrip (i.e. AUI shares) rather than cash, there is no single definitive estimate of value that can be relied upon for the purposes of assessing "fairness" pursuant to RG 111. Instead, the consideration offered has a range of possible value outcomes (which we have assessed as lying between $147 million and $157 million). As the value of the DUI shares that would be acquired also has a range of possible value outcomes (which we have assessed as lying between $145 million and $153 million) there are numerous different value comparisons that can be made between the value of DUI shares and the value of the AUI share consideration offered (some of which will be "fair" and others "not fair").

Given this, LEA considers it appropriate to assess "fairness" by reference to the degree of overlap that exists between the two valuation ranges, rather than by reference to any single point of comparison.

49 As indicated above, there is a high degree of overlap of values and our assessed mid-point of the value of the DUI shares that would be acquired lies within (and is not less than) our assessed range of values for the AUI shares offered as consideration to IPF. As such, in our opinion, the exercise of the IPF Option is "fair" when assessed under ASX Listing Rule 10 and RG 111.

"Fairness" under s611(7)

50 As the exercise of the IPF Option would result in IPF increasing its interest in AUI shares by more than the 3% permitted under the "creep" provisions of the Corporations Act, RG 111 requires the proposed share issue to be analysed as if it were a takeover bid under Chapter 6 of the Corporations Act. Whilst the exercise of the IPF Option and the issue of AUI shares to IPF does not involve any takeover offer being made for the AUI shares held by AUI Shareholders, the guidance in RG 111 requires that the expert assess fairness by comparing:

(a) the controlling interest value of AUI shares prior to the exercise of the IPF Option, with

(b) the minority interest value of AUI shares following the exercise of the IPF Option (being the deemed "consideration" provided to AUI Shareholders).

51 In order for the issue of shares to IPF upon exercise of the IPF Option to be "fair" under the RG 111 assessment criteria, the minority interest value of AUI shares following the exercise of the IPF Option must be equal to or greater than the controlling interest value of AUI shares before the exercise of the IPF Option. A summary of our assessment of "fairness" on this basis is set out below:

"Fairness" value comparison – exercise of the IPF Option	Para	Low $/share	Midpoint $/share	High $/share
Controlling interest value of AUI shares prior to the exercise of the IPF Option	297	12.76	13.10	13.45
Minority interest value of AUI shares post exercise of the IPF Option	299	10.79	11.17	11.55
Extent to which the minority interest value post exercise of the IPF Option is less than the controlling interest value of AUI shares prior to exercise of the IPF Option		(1.97)	(1.93)	(1.89)

52 Based on the above we have concluded that the exercise of the IPF Option is "not fair" to AUI Shareholders when assessed under s611(7) on the basis required by RG 111.

Assessment of "reasonableness"

53 Under RG 111, a transaction is reasonable if it is fair. However, a transaction may still be reasonable if, despite being "not fair", after considering other significant factors, the expert is of the opinion that there are sufficient reasons for shareholders to vote for the transaction (i.e. the advantages of the transaction are considered to outweigh the disadvantages).

54 We summarise the advantages and disadvantages of the exercise of the IPF Option under both assessment frameworks:

Advantages / disadvantages of exercising IPF Option		
	ASX 10.1	s611(7)
Advantages		
• AUI would pay "fair" value to IPF for the DUI shares that it would acquire under the IPF Option (based on our assessments of the underlying value of AUI and DUI)	✓	✓
• The exchange ratio for the issue of AUI shares under the IPF Option is broadly consistent with the exchange ratio under the Proposed Merger	✓	✓
• The IPF Option is a mechanism put in place by the AUI Board as part of the Proposed Merger in order to deter and/or block a competing proposal. In the absence of the IPF Option, there is a greater risk the Proposed Merger may not proceed	✓	✓
Disadvantages		
• If the IPF Option is exercised, IPF would increase its interest in AUI from approximately 41.9% to 47.5%. However, the incremental increase (particularly that which arises after exercise of the First Option, which does not require shareholder approval): – does not provide IPF with any meaningful additional practical control as it already has sufficient voting power to block any proposed takeover offer, scheme of arrangement or special resolution – is not be expected to affect the day-to-day operations of the Company, nor the composition or functioning of AUI's Board – could, in any event, still be achieved within about 6 months after exercising the First Option by acquiring further shares on-market in accordance with the "creep" provisions of the Corporations Act.	✓	✓
• When assessed on a basis that is consistent with a control transaction (that is by comparing a controlling interest value for AUI pre-exercise with a minority interest post-exercise), the IPF Option is considered to be "not fair". However, when assessed on a like-with-like basis (minority interest both pre and post), the transaction is expected to be broadly value neutral, with potential for a marginal value uplift (although any such uplift is uncertain).	n/a	✓

n/a – not applicable

55 Having regard to the above advantages and disadvantages, we have concluded that:

(a) **ASX Listing Rule 10.1** – the acquisition of DUI shares from IPF on exercise of the IPF Option is fair and reasonable to AUI Shareholders when assessed in accordance with ASX Listing Rule 10.1

In our opinion, the consideration to be issued by AUI is no greater than the assessed value of the DUI shares to be acquired and the transaction is therefore "fair". As a consequence, it is also "reasonable". In addition, the IPF Option forms part of the broader transaction structure supporting the Proposed Merger and reduces the risk of that transaction not proceeding, which we regard as a further positive factor

(b) **s611(7)** – the issue of AUI shares to IPF on exercise of the IPF Option is not fair but reasonable to AUI Shareholders when assessed in accordance with s611(7)

The transaction is "not fair" under the s611(7) assessment framework because it must (pursuant to RG 111) be assessed on a basis that is consistent with a control transaction. Whilst the exercise of the IPF Option will result in IPF increasing its interest in AUI by more than the 3% permitted under the "creep" provisions of the Corporations Act, in our view, this is not expected to result in any meaningful change in IPF's practical control of AUI. In addition:

(i) the exercise of the IPF Option is expected to be broadly value neutral when assessed on a like-with-like minority interest basis, with potential for a marginal value uplift (although any such uplift is uncertain)

(ii) when assessed in accordance with ASX Listing Rule 10.1 (which compares the consideration to be paid against the value of the asset to be acquired) AUI is considered to be paying "fair" value to IPF for the DUI shares

(iii) the IPF Option supports the implementation of the Proposed Merger and reduces the risk of that transaction not proceeding.

56 On the basis of these factors, notwithstanding the transaction is "not fair" under the strict control based test that must be applied for s611(7) purposes, we consider it to be reasonable in the circumstances.

General

57 This report contains general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual AUI Shareholders. Accordingly, before acting in relation to the proposed resolutions, AUI Shareholders should have regard to their own objectives, financial situation and needs. AUI Shareholders should also read the Notice of Meeting that has been issued by AUI in relation to the Proposed Merger and the IPF Option.

58 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether AUI Shareholders should vote for, or against the proposed resolutions. This is a matter for individual AUI Shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If AUI Shareholders are in doubt about the action they should take in relation to the proposed resolutions or matters dealt with in this report, shareholders should seek independent professional advice.

59 For our full opinion on the Proposed Merger and IPF Option and the reasoning behind our opinion, we recommend that AUI Shareholders read the remainder of our report.

Yours faithfully

Nathan Toscan Authorised Representative	Julie Planinic Authorised Representative	Brett Aalders Authorised Representative

Table of contents

Section		Page
I	**Key terms of the Proposed Transactions**	**17**
	Terms of the Proposed Merger	17
	IPF Option	18
	Resolutions to be voted on by AUI Shareholders	19
II	**Scope of our report**	**20**
	Purpose	20
	Basis of assessment	22
	Limitations and reliance on information	26
III	**Profile of AUI**	**27**
	Overview	27
	Investment portfolio	27
	Investment strategy	28
	Investment performance	28
	Management	29
	Financial performance	29
	Financial position	30
	Share capital and performance	32
IV	**Profile of DUI**	**34**
	Overview	34
	Investment portfolio	34
	Investment strategy	35
	Investment performance	35
	Management	36
	Financial performance	36
	Financial position	38
	Share capital and performance	39
V	**Industry overview**	**42**
	Overview	42
	LICs	42
	ASX LIC performance	43
	Management expense ratio	44
	NTA premium or discount to share price	45
	Outlook	47

Section		Page
VI	**Valuation of AUI pre Proposed Merger (minority interest basis)**	**48**
	Methodology	48
	Market value of investment portfolio	48
	DTL	49
	Other net assets / (liabilities)	50
	Net debt	50
	Ongoing administration expenses	51
	Valuation of AUI pre Proposed Merger (minority interest basis)	51
VII	**Valuation of DUI pre Proposed Merger (minority interest basis)**	**52**
	Methodology	52
	Market value of investment portfolio	52
	DTL	53
	Other net assets / (liabilities)	53
	Net debt	54
	Ongoing administration expenses	54
	Valuation of DUI pre Proposed Merger (portfolio basis)	54
VIII	**Valuation of the Merged Group**	**56**
	Overview	56
	Valuation of the Merged Group	56
	Recent share trading	59
IX	**Evaluation of the Proposed Merger**	**61**
	Basis of assessment	61
	Assessment of "fairness"	61
	Assessment of "reasonableness"	66
	Conclusion on Proposed Merger and related party element	70
X	**Evaluation of the IPF Option**	**72**
	Basis of assessment and summary of opinion	72
	Assessment of "fairness"	73
	Assessment of "reasonableness"	77
	Conclusion	80

Appendices

A **Financial Services Guide**

B **Qualifications, declarations and consents**

C **Valuation methodologies**

D **Glossary**

I Key terms of the Proposed Transactions

Terms of the Proposed Merger

60 An outline of the Proposed Merger is set out at paragraphs 1 to 4.

Conditions

61 The Proposed Merger is subject to the satisfaction or waiver of a number of conditions precedent which are outlined in Clause 3 of the MID between AUI and DUI dated 30 January 2026. The key conditions precedent are as follows:

(a) AUI Shareholders approve the acquisition of DUI shares from IPF under the Scheme at a general meeting of AUI Shareholders for the purposes of ASX Listing Rule 10.1

(b) DUI shareholder approval of the Scheme

(c) approval of the Scheme by the Federal Court of Australia in accordance with s411(4)(b) of the Corporations Act

(d) no prescribed occurrences in respect of AUI or DUI between the date of the MID and the second court date

(e) other customary conditions for a transaction of this nature, such as no restraints prohibiting or materially adversely affecting the Scheme.

Exclusivity

62 In addition, during the "Exclusivity Period" (as defined in the MID), DUI has agreed that it will not:

(a) directly or indirectly solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal or discussion, with any third party, in relation to or which could reasonably be expected to encourage or lead to any competing proposal (no-shop)

(b) negotiate, enter into, continue, or participate in discussions, negotiations or other communications (including the provision of any material non-public information) with any other person regarding or which may reasonably be expected to lead to a competing proposal (no-talk); or

(c) in relation to a competing proposal, enable any third party to undertake due diligence investigations in respect of DUI, or make available to any third party, or permit any third party to receive, non-public information relating to DUI (no due-diligence).

63 The "no-talk" and "no-due diligence" exclusivity obligations do not apply in the event of any bona fide competing proposal (that does not contravene the "no-shop" obligations) in respect of which the DUI Independent Board Committee (IBC) determines:

(a) after consultation with its legal advisers, the competing proposal is, or could reasonably become, a "superior proposal" (i.e. a competing proposal which is reasonably capable of being completed and would, if completed substantially in accordance with its terms, likely be more favourable to DUI shareholders than the Proposed Merger); and

(b) after receiving written legal advice from its legal advisers, failing to respond to the competing proposal would likely breach the IBC's fiduciary or statutory obligations[15].

Break Fee

64 A "Break Fee" or "Reverse Break Fee" of $11.7 million is payable either by DUI to AUI or AUI to DUI in certain circumstances as specified in the MID. For example, a Break Fee is payable by DUI to AUI if a competing proposal by a third party is announced for DUI during the Exclusivity Period and within 12 months of that announcement, that third party or its associate completes the competing proposal.

IPF Option

65 An outline of the IPF Option is set out at paragraphs 5 to 8.

Granting of the IPF Option

66 The IPF Option was granted to AUI for consideration of $10 which has already been received by IPF.

67 The granting of the IPF Option was conditional upon the following events which have now occurred:

(a) the MID being executed

(b) DUI announcing the Proposed Merger.

Exercise of the IPF Option

68 The IPF Option is only exercisable if a competing proposal for DUI is either announced on the ASX or received by DUI. IPF is not permitted to sell or otherwise dispose of any of the Option Shares (other than by settlement of the IPF Option) until the earlier of the date of termination of the IPF Option or 12 months after the date of the option agreement.

69 The number of DUI shares acquired by AUI upon exercise of the First Option (12.447 million DUI shares) will be scaled back if the value of those shares is 5% or more of the equity value of AUI. If this occurs, the number of shares under the Second Option (15.550 million DUI shares) will be increased by the amount of the scale back so that the total number of DUI shares to be acquired (27.997 million) under the IPF Option remains unchanged.

70 In addition, the number of DUI shares that can be called under the First and Second Options are subject to adjustment at any time if the number of shares in DUI held by AUI post exercise of the IPF Option would result in AUI's relevant interest in DUI exceeding 19.9%.

71 The consideration payable by AUI for the Option Shares is comprised solely of scrip consideration, with the number of AUI shares to be issued based on the pre-tax NTA per share of DUI divided by the pre-tax NTA per share of AUI[16]. The NTA used as a reference point

---

[15] DUI must notify AUI if it receives a superior competing proposal and must follow a four business day matching right process before entering into a legally binding agreement, arrangement or understanding to undertake or give effect to any competing proposal.

[16] This is consistent with the basis upon which the number of AUI shares to be issued to DUI shareholders will be determined if the Proposed Merger is approved and implemented.

will be based on the most recently published weekly notice for each company at the time the option exercise notice is given.

72 AUI can only exercise the Second Option if, in addition to there being a competing proposal for DUI, it has satisfied the requirements of ASX Listing Rule 10.1. Further, AUI can only issue shares to IPF under the IPF Option if it has satisfied the requirements of ASX Listing Rule 10.11 (including AUI Shareholder approval) and can only issue shares in excess of the 3% permitted "creep" capacity of IPF if AUI has also obtained the prior approval of AUI Shareholders pursuant to s611(7) of the Corporations Act.

73 In the event that AUI does not receive AUI Shareholder approval for the issue of shares to IPF under ASX Listing Rule 10.11 or s611(7) of the Corporations Act, IPF will receive the consideration in the form of an instrument that is (inter alia) non-voting and convertible to ordinary AUI shares on a staged basis over time, such that the requirements of ASX Listing Rule 10.11 and s606 of the Corporations Act are not contravened, subject to AUI and IPF agreeing the terms of that instrument.

74 IPF's right to vote on the Proposed Merger is not restricted by the granting of the IPF Option. IPF has indicated that it is strongly supportive of the Proposed Merger and has confirmed to DUI that it intends to vote, or cause to be voted, all of its shares in DUI in favour of the Proposed Merger, in the absence of a superior proposal.

Resolutions to be voted on by AUI Shareholders

75 There are three approvals required from AUI Shareholders, at a general meeting, in connection with the Proposed Transactions:

(a) **First Resolution** – approval under ASX Listing Rule 10.1 for the acquisition by AUI of DUI shares from IPF under the Proposed Merger

(b) **Second Resolution** – approval under ASX Listing Rules 10.1 and 10.11 for the acquisition of certain DUI shares from, and the issue of ordinary AUI shares to, IPF if the IPF Option is exercised

(c) **Third Resolution** – approval under s611(7) of the Corporations Act for the issue of AUI shares to IPF, in excess of IPF's 3% creep capacity, upon exercise of the IPF Option.

76 Each approval requires the passing of an ordinary resolution, which requires a simple majority to pass (i.e. more than 50% of votes cast by those entitled to vote). IPF and its associates will be excluded from voting on the above resolutions.

77 Notwithstanding AUI Shareholders are being asked to vote on all three of the above resolutions, it should be noted that:

(a) the First Resolution relates exclusively to the acquisition of the DUI shares held by IPF and the issue of new AUI shares as consideration under the Proposed Merger

(b) the Second and Third Resolutions are relevant only in the event that a competing proposal for DUI is announced on the ASX or received by DUI and the IPF Option is exercised by AUI.

II Scope of our report

Purpose

ASX Listing Rules

78 ASX Listing Rule 10 – *Transactions with persons in a position of influence* (specifically Rule 10.1) states that an entity must ensure that it does not acquire a substantial asset from, or dispose of a substantial asset to (amongst others) a related party or a substantial holder (which for the purposes of ASX Listing Rule 10.1 is a holder of more than 10% of the voting rights) or associates of either without the approval of holders of the entity's ordinary securities. Such approval must be obtained by way of an ordinary resolution at a general meeting and must be passed by securityholders who are not associated with the related party / substantial shareholder etc. (i.e. the non-associated securityholders).

79 ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration for it, is 5% or more of the book value of the equity interests of the entity as set out in the latest accounts provided to the ASX under the ASX Listing Rules.

80 ASX Listing Rule 10.5.10 requires the notice of general meeting to include a report from an independent expert stating whether the transaction is fair and reasonable to non-associated holders of the entity's ordinary securities.

81 As IPF is a substantial shareholder in AUI (with an interest of 41.9%) and the Proposed Merger will result in the acquisition of a parcel of DUI shares from IPF that is considered to be substantial, the Proposed Merger triggers the requirements of ASX Listing Rule 10.1.

82 The acquisition of the DUI shares held by IPF upon exercise of the option (in particular, the shares acquired by AUI under the Second Option, whereby the 5% substantial asset threshold would be exceeded) is also considered a transaction with persons in a position of influence under ASX Listing Rule 10 and is therefore subject to the same requirements outlined above in respect of the Proposed Merger.

83 Further, the issue of the AUI shares to IPF upon exercise of the option requires AUI Shareholder approval under ASX Listing Rule 10.11, which states that an entity must not issue securities to a person who is, or was at any time in the six months before the issue or agreement, a substantial (≥30%) holder in the entity without the approval of holders of its ordinary securities.

Corporations Act

84 Section 606 of the Corporations Act generally prohibits the acquisition of a relevant interest in issued voting securities of an entity if the acquisition results in a person's voting power in a company increasing from below 20% to more than 20%, or from a starting point between 20% and 90%, unless a permissible exemption applies.

85 The "creep" provisions are one such permitted exemption. The "creep" provisions allow a person whose voting power in a company is between 20% and 90% to increase that voting power by up to 3% in any six-month period, subject to compliance with the requirements of the Corporations Act. As the exercise of the Second Option (concurrent with the First Option) would result in IPF's voting power in AUI shares increasing by more than the 3% permitted by the Corporations Act, AUI must rely upon an alternative exemption.

86 Another permissible exemption is s611(7), under which such an acquisition is allowed where the acquisition is approved by a majority of securityholders of the entity at a general meeting and no votes are cast in respect of securities held by the acquirer, the vendor or any of their respective associates. AUI intends to rely upon this exemption in relation to the exercise of the IPF Option.

87 The Corporations Act requires securityholders that are approving a resolution pursuant to this section to be provided with all material information in relation to the proposed transaction. RG 74 states that ASIC considers that the directors of an entity should commission an expert's report or, if the directors have the expertise, prepare a detailed director's report to the same standard, in order to discharge the information disclosure requirements imposed upon the entity by the Corporations Act.

Our engagement

88 Accordingly, the Directors of AUI have requested that LEA prepare an IER to accompany the Notice of Meeting to be sent to AUI Shareholders stating whether, in LEA's opinion, the:

(a) Proposed Merger (which includes the acquisition of a substantial asset from IPF, a substantial shareholder) is "fair and reasonable" to AUI Shareholders when assessed in accordance with ASX Listing Rule 10.1[17]

(b) exercise of the IPF Option (which would result in the acquisition of DUI shares from IPF and issue of ordinary AUI shares to IPF) is:

   (i) "fair and reasonable" to AUI Shareholders when assessed in accordance with ASX Listing Rule 10.1; and separately

   (ii) "fair and reasonable" to AUI Shareholders when assessed in accordance with s611(7) of the Corporations Act.

89 This report contains general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual AUI Shareholders. Accordingly, before acting in relation to the proposed resolutions, AUI Shareholders should have regard to their own objectives, financial situation and needs. AUI Shareholders should also read the Notice of Meeting that has been issued by AUI in relation to the Proposed Merger and the IPF Option.

90 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether AUI Shareholders should vote for, or against the proposed resolutions. This is a matter for individual AUI Shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If AUI Shareholders are in doubt about the action they should take in relation to the proposed resolutions or matters dealt with in this report, shareholders should seek independent professional advice.

---

17 To satisfy the requirements of ASX Listing Rule 10.5.1.

Basis of assessment

91 In preparing our report, we have given due consideration to the ASX Listing Rules and the Regulatory Guides issued by ASIC, in particular RG 111 – *Contents of expert reports* (which sets out the assessment framework to which an expert must adhere in evaluating the merits of a proposal), RG 74 and Regulatory Guide 76 – *Related party transactions*.

The Proposed Merger (per ASX Listing Rule 10.1)

92 The ASX Listing Rules do not define the meaning of, or describe the test to be applied in determining whether a related party transaction is "fair and reasonable". However, RG 111 expressly states that the evaluation of a related party transaction / transaction with persons in a position of influence should be based upon a separate assessment of "fairness" and "reasonableness". RG 111 further states that the transaction should not be assessed simply by reference to the advantages and disadvantages of the transaction (as ASIC does not consider this to provide members with sufficient valuation information).

93 Pursuant to RG 111, a related party transaction / transaction with persons in a position of influence per ASX Listing Rule 10.1:

(a) is "fair" if the value of the financial benefit being offered by the entity to the related party (in this instance, the consideration provided to IPF) is equal to or less than the value of the assets being acquired from the related party (in this instance, DUI shares). This comparison is required to be made assuming an arm's length transaction between knowledgeable and willing, but not anxious parties

(b) is "reasonable" if it is "fair". It may also be "reasonable" if despite being "not fair", the expert believes there are other reasons for the non-associated shareholders to vote for the proposal.

94 However, RG 111.53 also states that when analysing related party transactions, it is important that an expert focuses on the substance of the related party transaction, rather than the legal mechanism. Further, RG 111.54 states that where a related party transaction is a component of a broader transaction involving non-related parties, an expert should carefully consider what level of analysis of the related party transaction is required. This should include consideration as to whether the IER has been sought to ensure shareholders are provided with sufficient information to decide whether to approve the related party transaction as well as the broader transaction.

95 In the present case, as IPF will receive the same consideration for its DUI shares under the Proposed Merger as all other DUI shareholders (i.e. the IPF related party transaction is a component of the Proposed Merger),, in our opinion, the most appropriate basis upon which to assess the fairness and reasonableness of the related party component of the Proposed Merger is to is to determine whether the Proposed Merger is fair and reasonable as a whole.

96 If the Proposed Merger is considered fair and reasonable as a whole, then the acquisition of IPF's DUI shares, which occurs as part of the Proposed Merger on identical terms to those applying to all other DUI shareholders, must also be fair and reasonable to AUI Shareholders for the purposes of ASX Listing Rule 10.1.

97 The Proposed Merger is not structured as a change of control transaction and there is no intention for the Proposed Merger to deliver a control premium to DUI shareholders.

Furthermore, ownership of the Merged Group is estimated to be shared between each group of shareholders (56.9% by AUI and 43.1% by DUI[18]) and operational control is expected to remain relatively unchanged.

98 Given these circumstances, we have assessed the fairness of the Proposed Merger from the perspective of AUI Shareholders by adopting an approach consistent with the assessment of a "merger of equals" (which focuses on the relative economic contributions of the merging entities).

99 Our assessment of the Proposed Merger (as a whole) therefore considers:

Fairness

(a) the relative value of AUI and DUI shares in comparison with the terms of the Proposed Merger. For this purpose, we have had regard to the relative value contributions based upon:

  (i) our estimate of underlying value of both entities on a minority interest basis

  (ii) share market trading; and

  (iii) other relevant key parameters.

  In order for the Proposed Merger to be "fair" to AUI shareholders, based on the guidelines set out in RG 111, the interest AUI shareholders will hold in the Merged Group must be consistent with the relative value contribution by AUI to the Merged Group

(b) the position of AUI shareholders before and after implementation of the Proposed Merger, taking into account the value of cost savings and any other benefits that are expected to be generated should the Proposed Merger proceed, net of any transaction costs. This comparison will determine whether AUI shareholders are better off in value terms as a result of the Proposed Merger, and will be performed on a like-with-like basis by comparing:

  (i) the value of a minority interest in AUI prior to the announcement of the Proposed Merger; with

  (ii) the value of a minority interest in the Merged Group (post completion).

Reasonableness

(c) the advantages and disadvantages of the Proposed Merger from the perspective of AUI shareholders including, inter alia:

  (i) the impact of the Proposed Merger on the financial performance and position of AUI

  (ii) the impact of the Proposed Merger on AUI's investment mandate and portfolio mix

  (iii) the impact of the Proposed Merger on AUI's Board and shareholder register

  (iv) the implications for AUI Shareholders if the Proposed Merger does not proceed

[18] Based on the estimated exchange ratio of 0.4705 as at 28 February 2026.

(v) other qualitative and strategic issues associated with the Proposed Merger.

IPF Option

100 AUI Shareholder approval is required for the exercise of the IPF Option[19] under ASX Listing Rule 10.1 (as it would involve the acquisition of a substantial asset from a substantial holder) and s611(7) of the Corporations Act (as it would result in IPF increasing its interest in AUI shares by more than the 3% permitted under the "creep" provisions)[20].

101 The assessment criteria applied by an expert in evaluating the IPF Option differ between the ASX Listing Rules and the Corporations Act.

ASX Listing Rule 10.1

102 The IPF Option is a separate and distinct transaction from the Proposed Merger and, if exercised, would result in AUI acquiring a substantial asset from a related party and trigger the requirements of ASX Listing Rule 10. Accordingly, unlike the related party element of the Proposed Merger, which has been assessed by reference to whether the Proposed Merger is fair and reasonable as a whole (given that IPF participates on identical terms to all other DUI shareholders), our assessment of the IPF Option (specifically the Second Option) focuses on the specific exchange value between AUI and IPF under that option, the test for which is outlined at paragraph 93 above.

Section 611(7) of the Corporations Act

103 RG 111 sets out (inter alia) ASIC's view on the content of expert reports prepared for the purpose of seeking approval under s611(7) of the Corporations Act.

104 Notwithstanding IPF already holds 41.9% of the shares in AUI, under RG 111, the issue of AUI shares to IPF upon exercise of the IPF Option is deemed a "change of control" transaction because IPF will increase its voting interest in AUI (from a starting position between 20% and 90%) by greater than 3% in a six-month period. As a result, RG 111 states that the proposed share issue must be analysed as if it were a takeover bid under Chapter 6 of the Corporations Act. In these circumstances, the expert is required to assess the transaction pursuant to the conventions established for takeovers in accordance with s640 of the Corporations Act, being:

(a) is the offer "fair" – when assessing takeovers, an offer is "fair" (from the perspective of the target) if the value of the offer price or consideration is equal to, or greater than the value of the securities the subject of the offer. This comparison should be made assuming 100% ownership of the company, irrespective of whether the offer is cash or scrip

(b) is it "reasonable" – an offer is "reasonable" if it is fair. An offer may also be reasonable if, despite being "not fair", there are sufficient reasons for securityholders to accept the offer in the absence of any higher bid before the close of the offer.

---

[19] Particularly the Second Option as this tranche: a) it is considered a substantial asset under the ASX Listing Rules; and b) results in the 3% creep provisions of the Corporations Act being exceeded.

[20] In addition, AUI Shareholder approval is required under ASX Listing Rule 10.11 to issue any new ordinary AUI shares to IPF under the IPF Option (because IPF holds a greater than 30% interest in AUI). However, no opinion from an independent expert is required in respect of the AUI Shareholder approval for the purposes of ASX Listing Rule 10.11.

105 Whilst the exercise of the IPF Option and the issue of AUI shares to IPF does not involve any takeover offer being made for the AUI shares held by AUI Shareholders, the guidance in RG 111 requires that the expert assess the fairness of the share issue pursuant to the exercise of the IPF Option by comparing:

(a) the controlling interest value of AUI shares prior to the exercise of the IPF Option, with

(b) the minority interest value of AUI shares following the exercise of the IPF Option (being the deemed "consideration" provided to AUI Shareholders).

106 Accordingly, in order for the issue of shares to IPF upon exercise of the IPF Option to be "fair" under the RG 111 assessment criteria, the minority interest value of AUI shares following the exercise of the IPF Option must be equal to or greater than the controlling interest value of AUI shares before the exercise of the IPF Option.

Basis of assessment used in evaluating the IPF Option

107 Having regard to the above, we have assessed the "fairness" and "reasonableness" of the IPF Option for the purposes of ASX Listing Rule 10.1 and s611(7) of the Corporations Act by reference to a range of qualitative and quantitative factors, including:

Fairness

IPF Option – approach for assessing "fairness"(1)	
ASX Listing Rule 10.1	**s611(7)**
• the value of the AUI shares issued as consideration upon exercise of the IPF Option on a standalone basis • the value of DUI shares being acquired under the IPF Option • the extent to which the above values differ in order to assess whether the acquisition of the DUI shares from IPF under the IPF Option is "fair"	• the market value of AUI shares prior to the share issue (on a 100% controlling interest basis) • the minority interest value of AUI shares following the share issue • the difference between the above valuation bases in order to assess whether the share issue is "fair" to AUI Shareholders pursuant to the requirements of RG 111

Note:
1 We have applied the relevant criteria under each framework, recognising that they differ in focus and methodology. The ASX Listing Rules essentially require an assessment of whether AUI is overpaying IPF for the DUI shares, whereas the Corporations Act requires the IPF Option to be assessed as a control transaction, consistent with the principles applicable to takeover transactions.

Reasonableness

(a) the implications for AUI Shareholders if the IPF Option is unable to be exercised

(b) the impact of the issue of shares under the IPF Option (both the First and Second Options) on the control of AUI

(c) the position of AUI shareholders before and after the exercise of the IPF Option / share issue assessed on a consistent basis (i.e. by comparing the minority interest value of AUI shares before exercise of the IPF Option with the minority interest value of AUI shares afterwards) and the net benefits inherent in the IPF Option

(d) the advantages and disadvantages of the acquisition of IPF's shares in DUI under the IPF Option from the perspective of AUI Shareholders.

Limitations and reliance on information

108 Our opinions are based on the economic, sharemarket, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

109 Our report is also based upon financial and other information provided by AUI and DUI. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.

110 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Proposed Transactions from the perspective of AUI Shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or "due diligence" investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, "due diligence" of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.

111 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the Proposed Transactions, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.

112 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

113 In forming our opinion, we have also assumed that:

(a) the information set out in the Notice of Meeting is complete, accurate and fairly presented in all material respects

(b) if the Proposed Transactions become legally effective, they will be implemented in accordance with the terms set out in the:

(i) MID and the terms of the Scheme itself

(ii) IPF Option agreement.

III Profile of AUI

Overview

114 AUI is an internally managed LIC that specialises in Australian listed equities. The Company was founded in 1953 by the late Sir Ian Potter, whose foundation (IPF) continues to remain the largest single shareholder. AUI's investment objectives are to create and maintain a diversified portfolio of shares in Australian companies to provide sustainable dividend income and capital appreciation over the long term. As at 31 December 2025, AUI had a total investment portfolio of some \$1.7 billion.

Investment portfolio

115 The equity portfolio of AUI is invested in Australian equities and as at 31 December 2025, was spread over 37 companies as shown below:

AUI – Investment portfolio composition as at 31 December 2025(1)

No.	Company	Sector	Market value \$m	% total
1	Commonwealth Bank	Banks	160.6	9.4
2	BHP Group	Materials	122.8	7.2
3	Rio Tinto	Materials	110.1	6.4
4	Wesfarmers	Consumer	105.4	6.1
5	ANZ Group	Banks	87.2	5.1
6	Diversified United Investment	Other financials	78.9	4.6
7	Transurban	Infrastructure	78.2	4.6
8	Westpac	Banks	77.2	4.5
9	CSL	Healthcare	69.1	4.0
10	ResMed	Healthcare	64.7	3.8
11	Northern Star	Materials	53.5	3.1
12	Aristocrat Leisure	Consumer	52.4	3.1
13	Washington H Soul Pattinson	Other financials	52.0	3.0
14	CAR Group	Consumer	46.1	2.7
15	Origin Energy	Energy	46.0	2.7
16	Newmont	Materials	45.1	2.6
17	National Australia Bank	Banks	42.3	2.5
18	Macquarie Group	Other financials	40.6	2.4
19	Brambles	Industrials	37.3	2.2
20	Woodside	Energy	35.4	2.1
Top 20 equity holdings			**1,404.8**	**81.9**
All other equity investments (a further 17 equity positions)			287.9	16.8
Total listed equities			**1,692.7**	**98.6**
Cash, cash equivalents and receivables			23.5	1.4
Total portfolio including cash, cash equivalents and receivables			**1,716.2**	**100.0**

Note:
1 Rounding differences may exist.
Source: AUI Monthly NTA report 31 December 2025.

116 The Australian equities portfolio is primarily invested in large market capitalisation companies (in particular ASX 20 and ASX 21 to 50 companies[21]) which provides the greatest

[21] The ASX 20 and ASX 21 to 50 represents the largest 50 companies listed on the ASX by market capitalisation.

exposure to the banking, materials, other financials, consumer and industrial investment sectors.

117 AUI is a long term investor, with an average term of holdings across the portfolio of approximately 17 years, with around 66% of the portfolio having been held for longer than 10 years. As a result, the turnover in the portfolio is relatively low (some 8% during FY25 and 1.6% during 1H26).

Investment strategy

118 AUI's investment objectives are:

(a) to create and maintain a diversified portfolio of quality Australian companies, primarily through shares listed on the ASX, with a medium to long term view of providing income and capital appreciation

(b) to manage the portfolio so as to monitor and reduce risks and identify market opportunities as they arise

(c) to provide dividend income to shareholders which is sustainable over the long term, while maintaining full franking when possible.

119 In deciding whether to add a stock or to increase or decrease the size of a stockholding in the portfolio, a number of criteria are considered including, inter alia, the industry outlook and position of the company in its industry, earnings per share (EPS) growth potential, yield and franking credits, management strength and alignment with shareholder returns, balance sheet strength and Environmental, Social & Governance (ESG) factors.

Investment performance

120 The table below summarises AUI's pre-tax NTA and share price performance in recent years (assuming all dividends paid by AUI were re-invested in its shares) relative to the S&P/ASX 200 Accumulation Index:

AUI – total returns to 30 Jun 25	1 year %	3 years %	5 years %	10 years %
AUI pre-tax NTA backing accumulation p.a.(1)	14.7	14.1	12.6	8.7
AUI share price accumulation p.a.(2)	10.0	9.7	10.7	7.5
S&P/ASX 200 Accumulation Index p.a.	13.8	13.6	11.8	8.9

Note:
1 After all expenses, income tax and the impact of the Company's gearing (noting these items are not reflected in the S&P/ASX 200 Accumulation Index).
2 Assumes all dividends paid by AUI were re-invested in its shares.
Source: AUI FY25 Annual Report.

121 Including the benefit of franking credits for shareholders who can fully utilise them, AUI's pre-tax NTA accumulation return for the year to 30 June 2025 was an increase of 16.5% compared to an increase of 15.1% in the S&P/ASX 200 franking credit adjusted return.

Management

122 AUI's investment portfolio is managed internally by its Board of Directors, all of whom have expertise in investment markets with an emphasis on Australian listed equities. AUI's key management person is the Company Secretary, who is responsible for all management and administrative functions associated with the Company's investment portfolio. An overview of AUI's Board of Directors and key management personnel is set out below:

AUI – Directors and management

Name	Position
Charles Goode	Non-executive Chairman
Fred Grimwade	Lead Independent Director
Dion Hershan	Non-executive Director
Wayne Kent	Non-executive Director
James Pollard	Company Secretary

Source: AUI FY25 Annual Report.

Financial performance

123 The financial performance of AUI for the three years to 30 June 2025 (FY25) and the half year to 31 December 2025 (1H26) is set out below:

AUI – statement of financial performance(1)

	FY23 $m	FY24 $m	FY25 $m	1H26 $m
Revenue from investment portfolio	63.8	57.8	57.0	28.2
Fair value movements on options	-	-	-	3.8
Administration and other expenses	(1.8)	(1.8)	(1.8)	(1.0)
Administration costs recovered	0.3	0.3	0.3	0.2
Finance expenses	(5.1)	(5.1)	(2.4)	(1.0)
Profit before tax	57.2	51.2	53.0	30.2
Income tax expense	(0.8)	(2.0)	(3.1)	(3.0)
Profit after tax	56.4	49.1	49.9	27.3
Other comprehensive income:				
Revaluation of the investment portfolio	106.7	134.1	159.3	27.5
Provision for tax expense on revaluation	(32.3)	(40.2)	(47.8)	(8.2)
Other comprehensive profit after tax	74.4	93.9	111.6	19.4
Total comprehensive profit after tax	130.7	143.0	161.5	46.6
Earnings per AUI share (cents)(2)	*44.7*	*39.0*	*40.2*	*22.0*
Ordinary dividends per AUI share (cents)	*37.0*	*37.0*	*37.0*	*17.0*
Special dividends per AUI share (cents)	-	*8.0*	*8.0*	-

Note:
1 Rounding differences may exist.
2 Based on reported profit after tax (i.e. excluding other comprehensive income).
Source: AUI FY24 and FY25 Annual Reports and 1H26 Interim Report.

124 Regarding AUI's statement of financial performance, we note the following:

(a) changes in the fair value of long-term investments are presented in other comprehensive income through the asset revaluation reserve (i.e. these changes are reported in the statement of financial position). Upon disposal of the long-term investment the realised gain or loss is transferred from the asset revaluation reserve to the capital profits reserve

(b) as a result of (a) above, AUI's reported operating profit is heavily reliant on dividend and distribution income and the reported profits of AUI are not necessarily the best indicator of total company performance

(c) dividends and distributions from investments are recognised as income on the date that the respective investment trades "ex-dividend"

(d) administration and other expenses include, inter alia, employee costs, director fees, office rent, ASX fees and registry fees, insurance and other expenses. During the period set out above, AUI operated with a management expense ratio (MER)[22] of around 0.10%

(e) finance expenses decreased during FY25 following the repayment of a significant portion of the Company's borrowings

(f) annual income tax expense is lower than the corporate tax rate (of 30% per annum) due to the offsetting franking credits that AUI receives on dividends paid by the companies in which it invests.

Financial position

125 The financial position of AUI as at 30 June 2024, 30 June 2025 and 31 December 2025 is set out below:

AUI – statement of financial position[(1)]	30 Jun 24 $m	30 Jun 25 $m	31 Dec 25 $m
Cash and cash equivalents	16.4	5.5	20.6
Receivables	6.3	6.6	2.9
Investment portfolio	1,511.1	1,626.5	1,692.7
Put option asset	-	-	5.3
Other assets	0.4	0.3	0.4
Total assets	1,534.2	1,638.8	1,721.9
Payables, accruals and other liabilities	(1.9)	(0.7)	(0.9)
Call option liability	-	-	(0.5)
Current tax payable	(0.4)	(1.8)	(6.6)
Borrowings	(77.0)	(25.0)	(90.0)
Net deferred tax liability	(248.1)	(296.9)	(301.2)
Total liabilities	(327.5)	(324.4)	(399.2)
Net assets	1,206.7	1,314.4	1,322.6
Number of shares outstanding at period end (million)	*123.9*	*124.1*	*123.8*
NTA pre-tax cum dividend ($ per AUI share)[(2)]	*11.74*	*12.98*	*13.11*
NTA post-tax cum dividend ($ per AUI share)	*9.74*	*10.59*	*10.69*

22 Being the net administration and other expenses (excluding finance costs) divided by the average market value of the investment portfolio.

Note:
1 Rounding differences may exist.
2 Pre-tax NTA is calculated before any future tax benefit of net realised losses and before estimated tax on net unrealised gains and losses.
Source: AUI's FY25 Annual Report and 1H26 Interim Report.

126 In respect of the above, we note that:

(a) **Receivables –** primarily relate to distributions (dividends and trust receivables) from AUI's underlying investment portfolio

(b) **Put and call options –** AUI has entered into exchange traded put and call option positions over certain investments in the portfolio which are carried at market values based on the listed market prices as at the measurement date

(c) **Investment portfolio** – relates to AUI's portfolio of ASX listed securities (refer paragraph 115) which are carried at market value based on the unadjusted last sale price quoted on the ASX at the measurement date

(d) **Borrowings** – AUI has a $125 million floating interest rate facility with National Australia Bank (NAB) which expires on 31 May 2026. As at 31 December 2025, the net debt position of AUI (as a proportion of its investment portfolio excluding cash) was some 3.9%

(e) **Net deferred tax liability (DTL)** – AUI is a long term investor and does not intend to dispose of its investment portfolio. However, under Australian equivalents to the International Financial Reporting Standards (AIFRS), AUI is required to recognise the full (deferred) tax liability that would arise if the portfolio was sold for the values attributed to the portfolio by AUI (net of estimated tax benefits on any carried forward capital losses). A summary of the composition of AUI's net DTL as at each of the above reporting periods is set out below:

AUI – Net DTL	30 Jun 24 $m	30 Jun 25 $m	31 Dec 25 $m
Provision for tax on net unrealised investment gains	(248.7)	(296.6)	(300.1)
Tax benefit of capital losses carried forward	0.9	0.0	-
Other DTL (net)	(0.3)	(0.4)	(1.1)
Net reported deferred tax liabilities	(248.1)	(296.9)	(301.2)

127 In addition to the above, we note that:

(a) **franking credit balance –** as at 30 June 2025, AUI had a franking credit balance of some $47.2 million ($32.3 million including a pro-rata allowance for the franking credits associated with the FY25 final dividend)[23]. As at 31 December 2025, AUI's franking credit balance remained at a similar level

(b) **LIC capital gain account –** as at 30 June 2025, AUI had an immaterial balance of LIC capital gains of $0.4 million which were yet to be distributed to shareholders. When distributed, eligible shareholders may be entitled to a tax deduction (subject to their individual eligibility).

23 These franking credits are relatively immaterial on a per share basis.

Share capital and performance

128 AUI has 123.8 million ordinary shares on issue. There are no other AUI options, rights or other equity securities.

Substantial shareholders

129 As at 16 February 2026, AUI had three substantial shareholders which collectively held some 55.7% of the ordinary shares on issue. A summary of these substantial shareholders is as follows:

AUI – substantial shareholders

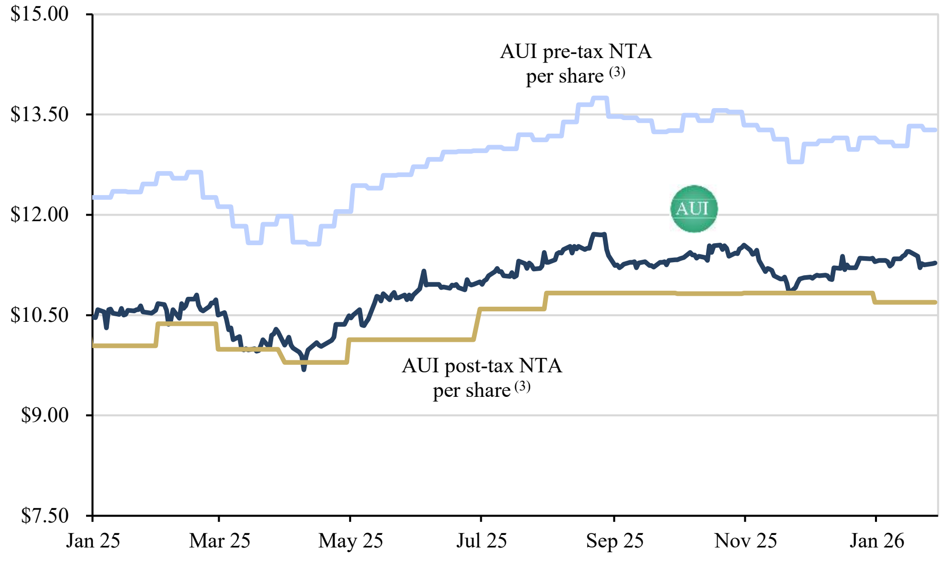
Shareholder	Shares held (million)	Interest %
IPF	51.8	41.9
Lady Potter entities[1]	8.8	7.1
Argo Investments	8.3	6.7

Note:
1 Consists of Lady Primrose Catherine Potter, Primrose Properties Pty Ltd, Decerna Pty Ltd and Zolani Pty Ltd.
Source: AUI shareholder register as at 16 February 2026.

Share price performance

130 The following chart illustrates the movement in the share price of AUI relative to its reported pre and post-tax NTA per share from 1 January 2025 to 29 January 2026[24]:

AUI – share price history[1]
1 January 2025 to 29 January 2026[2]



Note:
1 Based on closing prices.
2 Being the last trading day prior to the announcement of the Proposed Merger.
3 Pre-tax NTA is disclosed weekly, whereas post-tax NTA is disclosed on a monthly basis.
Source: FactSet, AUI pre-tax NTA announcements and LEA analysis.

24 Being the last trading day prior to the announcement of the Proposed Merger.

131 As indicated above, over the last 12 months AUI has consistently traded below its pre-tax NTA backing, with an average discount to pre-tax NTA of around 15%. While the pre-tax NTA does not take into account the DTL, based on the market prices of AUI shares we consider it likely that share market investors in AUI have made some allowance for the present value of this liability (noting part of the observed discount to pre-tax NTA may also be attributable to the lower levels of liquidity in AUI shares). However, AUI shares have generally traded at a slight premium to the Company's reported post-tax NTA.

Liquidity in AUI shares

132 The liquidity in AUI shares based on trading on the ASX over the 12 month period prior to 29 January 2026 (being the last trading day prior to the announcement of the Proposed Merger) is set out below:

AUI – liquidity in shares

Period	Start date	End date	No. of shares traded 000	WANOS(1) 000	Implied annual liquidity(2) %
1 month	30 Dec 25	29 Jan 26	187	123,758	1.8
3 months	30 Oct 25	29 Jan 26	1,445	123,939	4.7
6 months	30 Jul 25	29 Jan 26	2,805	124,049	4.5
1 year	30 Jan 25	29 Jan 26	6,310	124,089	5.1

Note:
1 Weighted average number of shares outstanding (WANOS).
2 Number of shares traded during the period divided by WANOS, converted to an annualised figure.
Source: FactSet and LEA analysis.

133 As shown in the table above, the share turnover in AUI shares is relatively low, with annualised turnover, based on the free float (i.e. excluding the shares held by the three substantial shareholders), generally being less than 10% across all periods.

IV Profile of DUI

Overview

134 DUI is an internally managed LIC that was founded in founded in 1991 by IPF, AUI and the Myer family. DUI's investment objectives are to create and maintain a diversified portfolio which predominantly comprises shares of companies listed on the ASX with additional exposure to international markets, to provide sustainable dividend income and capital appreciation over the long term. As at 31 December 2025, DUI had a total investment portfolio of $1.4 billion.

Investment portfolio

135 As at 31 December 2025, DUI's investment portfolio consisted of:

(a) 30 investments in Australian equities (77% of the total equity portfolio) primarily in large market capitalisation companies, which provide the greatest exposure to the banking, industrials, materials, healthcare and other financials investment sectors

(b) investments in seven international exchange traded funds (ETFs) and one unlisted managed fund which represent 22% of the total portfolio. The foreign exchange currency exposure is currently unhedged.

136 A breakdown of DUI's largest portfolio holdings as at 31 December 2025 is set out below:

DUI – Investment portfolio composition as at 31 December 2025[1]

No.	Company	Sector	Market value $m	% total
1	Commonwealth Bank	Banks	144.5	10.3
2	CSL	Healthcare	97.5	7.0
3	Transurban	Infrastructure	88.8	6.3
4	ANZ Group	Banks	78.1	5.6
5	Vanguard Info Tech	International	76.0	5.4
6	Rio Tinto	Materials	73.4	5.2
7	Vanguard US Total Market	International	73.1	5.2
8	Westpac	Banks	61.8	4.4
9	BHP Group	Materials	61.2	4.4
10	Vanguard All-World Ex-US	International	56.3	4.0
11	Computershare	Other financials	47.8	3.4
12	Aristocrat Leisure	Consumer	46.5	3.3
13	Macquarie Group	Other financials	40.6	2.9
14	Wesfarmers	Consumer	40.5	2.9
15	iShares TR MSCI USA Min Vol	International	39.4	2.8
16	Washington H Soul Pattinson	Other financials	37.1	2.7
17	ResMed	Healthcare	35.9	2.6
18	National Australia Bank	Banks	31.7	2.3
19	Challenger	Other financials	28.2	2.0
20	Northcape Global Emerg Mkts	International	27.8	2.0
Top 20 equity holdings			1,186.5	84.7
All other equity investments (a further 18 equity positions)			201.4	14.4
Total Australian and international equities			1,387.9	99.1
Cash, cash equivalents and receivables			12.4	0.9
Total portfolio including cash, cash equivalents and receivables			1,400.4	100.0

Note:
1 Rounding differences may exist.
Source: DUI Monthly NTA report 31 December 2025.

137 DUI is a long term investor, with an average term of holdings across the portfolio of approximately 15 years, with around 73% of the portfolio having been held for longer than 10 years. As a result, the turnover in the portfolio is relatively low (some 10.5% during FY25 and 0.2% during 1H26).

Investment strategy

138 DUI's investment objectives are:

(a) to create and maintain a diversified portfolio of quality Australian companies, primarily through shares listed on the ASX, and investments in international markets, with a medium to long term view of providing income and capital appreciation

(b) to manage the portfolio to monitor and reduce risks and identify market opportunities as they arise

(c) to provide dividend income to shareholders which is sustainable over the long term, while maintaining full franking when possible.

139 In deciding whether to add a stock or to increase or decrease the size of a stockholding in the portfolio, a number of criteria are considered including, inter alia, the industry outlook and position of the company in its industry, EPS growth potential, yield and franking credits, management strength and alignment with shareholder returns, balance sheet strength and ESG factors.

140 DUI's international portfolio policy is as follows:

(a) to hold investments in managed international funds equivalent to 15% to 25% of the total investment portfolio

(b) to have an unhedged currency exposure which is reviewed from time to time. Currency hedging could be undertaken in normal circumstances up to a maximum of 50% of the exposure, however there could be higher hedging where very strong views are held

(c) to have the allocation at market values of broadly:

(i) developed countries – 50 to 65%

(ii) developing countries – up to 25%

(iii) specific industries not easily available in Australia – 20 to 35%

(d) to monitor the international investments at each Board meeting although they are considered long-term strategic investments.

Investment performance

141 The table below summarises DUI's pre-tax NTA and share price performance in recent years (assuming all dividends paid by DUI were re-invested in its shares) relative to the S&P / ASX 200 Accumulation Index:

DUI – total returns to 30 Jun 25	1 year %	3 years %	5 years %	10 years %
DUI pre-tax NTA backing accumulation p.a.[1]	12.7	12.0	10.8	9.2
DUI share price accumulation p.a.[2]	7.7	8.7	8.3	8.1
S&P/ASX 200 Accumulation Index p.a.	13.8	13.6	11.8	8.9

Note:
1 After all expenses, income tax and the impact of the company's gearing (noting these items are not reflected in the S&P/ASX 200 Accumulation Index).
2 Assumes all dividends paid by DUI were re-invested in its shares.
Source: DUI FY25 Annual Report.

142 Including the benefit of franking credits for shareholders who can fully utilise them, DUI's pre-tax NTA accumulation return for the year to 30 June 2025 was an increase of 13.9% compared to an increase of 15.1% in the S&P/ASX 200 franking credit adjusted return.

Management

143 DUI's investment portfolio is managed internally by its Board of Directors, all of whom have expertise in investment markets with an emphasis on Australian listed equities. DUI's key management person is the Company Secretary, who is responsible for all management and administrative functions associated with the company's investment portfolio. An overview of DUI's Board of Directors and key management personnel is set out below:

DUI – Directors and management	
Name	**Position**
Charles Goode	Non-executive Chairman
Stephen Hiscock	Lead Independent Director
Anthony Burgess	Non-executive Director
Andrew Larke	Non-executive Director
James Pollard	Company Secretary

Source: DUI FY25 Annual Report.

Financial performance

144 The financial performance of DUI for the three years to 30 June 2025 (FY25) and the half year to 31 December 2025 (1H26) is set out below:

DUI – statement of financial performance[1]	FY23 $m	FY24 $m	FY25 $m	1H26 $m
Revenue from investment portfolio	51.1	46.5	43.7	21.4
Fair value movements on unlisted investments	1.9	(0.0)	3.0	2.2
Administration and other expenses	(1.6)	(1.6)	(1.6)	(0.8)
Finance expenses	(5.6)	(5.2)	(1.5)	(0.2)
Profit before tax	45.9	39.7	43.6	22.7
Income tax expense	(3.0)	(3.7)	(5.7)	(3.5)
Profit after tax	42.8	36.0	38.0	19.2

DUI – statement of financial performance[1]	FY23 $m	FY24 $m	FY25 $m	1H26 $m
Other comprehensive income:				
Revaluation of the investment portfolio	86.9	91.3	116.5	(5.4)
Provision for tax expense on revaluation	(26.2)	(28.0)	(34.2)	2.2
Other comprehensive profit after tax	60.8	63.3	82.3	(3.2)
Total comprehensive profit after tax	103.6	99.3	120.3	16.0
Earnings per DUI share (cents)[2]	*19.8*	*16.6*	*17.6*	*8.9*
Dividends per DUI share (cents)	*16.0*	*16.0*	*16.0*	*9.0*

Note:
1 Rounding differences may exist.
2 Based on reported profit after tax (i.e. excluding other comprehensive income).
Source: DUI FY24 and FY25 Annual Reports and 1H26 Interim Report.

145 Regarding DUI's statement of financial performance, we note the following:

(a) changes in the fair value of long-term investments (with the exception of the investment in one unlisted international managed fund) are presented in other comprehensive income through the asset revaluation reserve (i.e. these changes are reported in the statement of financial position). Upon disposal of the long-term investment the realised gain or loss is transferred from the asset revaluation reserve to the capital profits reserve

(b) as a result of (a) above, DUI's reported operating profit is heavily reliant on dividend and distribution income and the reported profits of DUI are not necessarily the best indicator of total company performance

(c) dividends and distributions from investments are recognised as income on the date that the respective investment trades "ex-dividend"

(d) administration and other expenses include, inter alia, employee costs, director fees, ASX fees and registry fees, insurance and other expenses. During the period set out above, DUI operated with a MER[25] of around 0.12%. Including the management fees of the international ETFs and unlisted managed fund in which DUI has been invested during the abovementioned periods, the expense ratio was 0.16%

(e) finance expenses decreased during FY25 and 1H26 following the repayment of a significant portion of the company's borrowings

(f) annual income tax expense is lower than the corporate tax rate (of 30% per annum) due to the offsetting franking credits that DUI receives on dividends paid by the companies in which it invests.

25 Being the net administration and other expenses (excluding finance costs) divided by the average market value of the investment portfolio.

Financial position

146 The financial position of DUI as at 30 June 2024, 30 June 2025 and 31 December 2025 is set out below:

DUI – statement of financial position[1]	30 Jun 24 $m	30 Jun 25 $m	31 Dec 25 $m
Cash and cash equivalents	3.8	27.4	8.1
Receivables	8.1	7.4	4.7
Investment portfolio	1,325.6	1,346.2	1,387.8
Other assets	0.1	0.0	0.1
Total assets	1,337.6	1,381.0	1,400.7
Payables	(0.7)	(0.2)	(0.4)
Current tax payable	(0.7)	(2.7)	(2.3)
Borrowings	(77.5)	-	(30.0)
Net deferred tax liability	(224.9)	(261.0)	(259.4)
Total liabilities	(303.8)	(263.9)	(292.2)
Net assets	1,033.8	1,117.1	1,108.5
Number of shares outstanding at period end (million)	*215.7*	*215.2*	*214.3*
NTA pre-tax cum dividend ($ per DUI share)[2]	*5.83*	*6.40*	*6.38*
NTA post-tax cum dividend ($ per DUI share)[2]	*4.79*	*5.19*	*5.17*

Note:
1 Rounding differences may exist.
2 Pre-tax NTA is calculated before any future tax benefit of net realised losses and before estimated tax on net unrealised gains and losses.
Source: DUI's FY25 Annual Report and 1H26 Interim Report.

147 In respect of the above, we note that:

(a) **Receivables –** primarily relate to distributions (dividends and trust receivables) from DUI's underlying investment portfolio

(b) **Investment portfolio** – relates to DUI's portfolio of Australian and international securities (refer paragraph 115) which are carried at market value based on the unadjusted last sale price quoted at the measurement date

(c) **Borrowings** – DUI has a $100 million floating rate loan facility with NAB which expires on 31 May 2026. As at 31 December 2025, the net debt position of DUI (as a proportion of its investment portfolio excluding cash) was some 1.2%

(d) **Net DTL** – DUI is a long term investor and does not intend to dispose of its investment portfolio. However, under AIFRS, DUI is required to provide for the full (deferred) tax liability that would arise if the portfolio was sold for the values attributed to the portfolio by DUI (net of estimated tax benefits on any carried forward capital losses). A summary of the composition of DUI's net DTL as at each of the above reporting periods is set out below:

DUI – Net DTL	30 Jun 24 $m	30 Jun 25 $m	31 Dec 25 $m
Provision for tax on net unrealised investment gains	(224.7)	(260.5)	(259.1)
Tax benefit of capital losses carried forward	0.2	-	-
Other DTL (net)	(0.5)	(0.6)	(0.3)
Net deferred tax liabilities	(224.9)	(261.0)	(259.4)

148 In addition to the above, we note that:

(a) **franking credit balance** – as at 30 June 2025, DUI had a franking credit balance of some $14.8 million ($6.8 million including a pro-rata allowance for the franking credits associated with the FY25 final dividend)[26]. As at 31 December 2025, DUI's franking credit balance remained at a similar level

(b) **LIC capital gain account** – as at 30 June 2025, DUI had an immaterial balance of LIC capital gains of $1.745 million which were yet to be distributed to shareholders. When distributed, eligible shareholders may be entitled to a tax deduction (subject to their individual eligibility).

Share capital and performance

149 DUI has 214.3 million ordinary shares on issue. There are no other DUI options, rights or other equity securities.

Substantial shareholders

150 As at 16 February 2026 there were three substantial shareholders in DUI as follows:

DUI – substantial shareholders Shareholder	Shares held m	Interest %
IPF[(1)]	36.0	16.8
AUI[(2)]	14.6	6.8
Australian Foundation Investment Company Limited	12.0	5.6

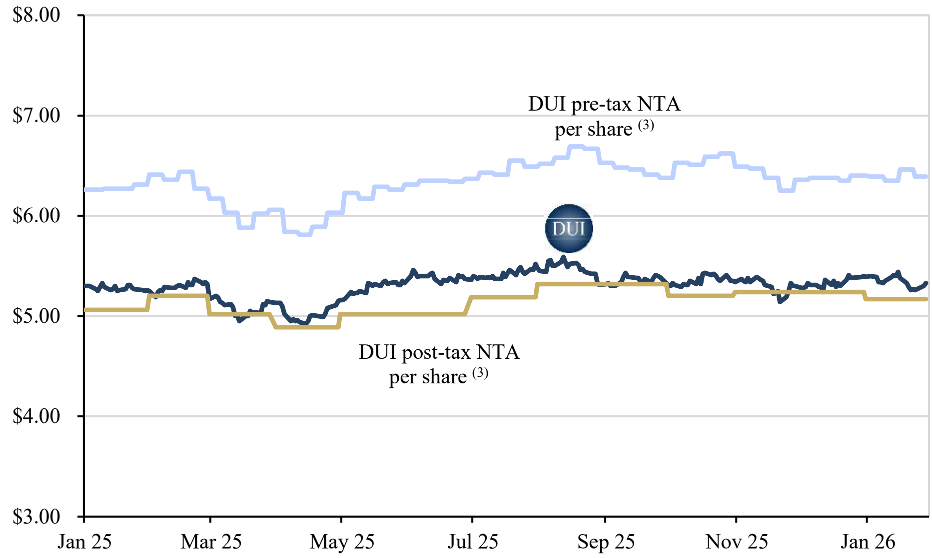
Note:
1 Includes 5.9 million shares held by The Ian Potter Foundation Ltd (No 1 GA A/c).
2 Excludes the 27.997 million shares that would be acquired by AUI upon exercise of the IPF Option.
Source: DUI shareholder register as at 16 February 2026.

Share price performance

151 The following chart illustrates the movement in the share price of DUI relative to its reported pre and post-tax NTA per share from 1 January 2025 to 29 January 2026[27]:

[26] These franking credits are relatively immaterial on a per share basis.
[27] Being the last trading day prior to the announcement of the Proposed Merger.

DUI – share price history[1]
1 January 2025 to 29 January 2026[2]



Note:
1 Based on closing prices.
2 Being the last trading day prior to the announcement of the Proposed Merger.
3 Pre-tax NTA is disclosed weekly, whereas post-tax NTA is disclosed on a monthly basis.
Source: FactSet and LEA analysis.

152 As indicated above, over the last twelve months DUI has consistently traded below its pre-tax NTA backing, with an average discount to pre-tax NTA of around 16%. While the pre-tax NTA does not take into account the DTL, based on the market prices of DUI shares we consider it likely that share market investors in DUI have made some allowance for the present value of this liability (noting part of the observed discount to pre-tax NTA may also be attributable to the lower levels of liquidity in DUI shares). However, DUI shares have generally traded at a slight premium to the company's reported post-tax NTA.

Liquidity in DUI shares

153 The liquidity in DUI shares based on trading on the ASX over the 12 month period prior to 29 January 2026 (being the last trading day prior to the announcement of the Proposed Merger) is set out below:

AUI – liquidity in shares

Period	Start date	End date	No. of shares traded 000	WANOS 000	Implied annual liquidity[1] %
1 month	30 Dec 25	29 Jan 26	825	214,277	4.7
3 months	30 Oct 25	29 Jan 26	3,873	214,660	7.2
6 months	30 Jul 25	29 Jan 26	8,240	215,021	7.6
1 year	30 Jan 25	29 Jan 26	21,058	215,187	9.8

Note:
1 Number of shares traded during the period divided by WANOS, converted to an annualised figure.
Source: FactSet and LEA analysis.

154 As shown in the table above, the share turnover in DUI shares is relatively low, with annualised turnover, based on the free float (i.e. excluding the shares held by the three substantial shareholders), generally being less than 10% across all periods.

V Industry overview

Overview

155 Both AUI and DUI are ASX LICs that primarily invest in ASX listed equities. AUI and DUI predominately focus on companies with medium to large market capitalisations. The merger companies therefore have similar targeted equity investments (noting DUI has some exposure to international markets through ETF and managed fund investments).

LICs

156 LICs are a type of investment vehicle that pool investor funds to invest in a portfolio of assets, typically shares but potentially including other asset classes. They offer investors exposure to a diversified range of assets through a single investment, similar to managed funds, with the key difference being their structure. Unlike managed funds, LICs are "closed-end" structures[28]. Closed-end funds issue a fixed number of shares through an initial public offering and these shares are then traded on a stock exchange. New shares are not created or redeemed based on investor flows (subject to entitlement issues, dividend reinvestment plans, etc.).

157 Investors are attracted to LICs for a number of reasons:

(a) professional management – LICs have a board of directors and benefit from the expertise of professional fund managers responsible for setting the investment strategy and conducting in-depth research and analysis to select investments. Many LICs employ active management strategies, aiming to outperform a certain benchmark index

(b) distributions – LICs typically distribute a portion of their investment income to shareholders as dividends, which may include franking credits depending on the underlying investments. Many LICs focus on delivering consistent dividend income, making them attractive for income-oriented investors, particularly superannuation funds and retirees

(c) diversification – LICs offer diversified portfolios that are managed by experienced fund managers, which reduces individual stock specific risk

(d) liquidity – as listed entities, LICs provide liquidity through trading on a stock exchange, allowing investors to buy and sell shares easily (as opposed to open-ended funds which can have less liquidity)

(e) access to specialist strategies – specialised LICs provide exposure to niche sectors or investment themes that may be challenging for individual investors to access directly.

158 Notwithstanding their advantages, LICs face some challenges:

(a) discounts / premiums – LICs often trade at a discount or premium to their net asset value (NAV), influenced by a range of factors (refer to paragraph 172)

---

[28] A closed-ended structure fund is one where the number of units or shares is fixed (subject to entitlement issues, distribution reinvestment plans etc.), meaning that because supply is limited investors trade with each other to set the price of the unit or share. An open-ended structure is one where new units can be created in the fund as investors buy in or units can be cancelled when investors exit the fund. For open-ended structures, liquidity is provided by the fund and the entry and exit price of a unit is based on the NAV of the fund.

(b) fee levels – LICs (particularly those which employ active management strategies) may have higher management fees compared to other investment vehicles (such as passive ETFs), which can impact overall returns

(c) market volatility – LICs, like other listed securities, are subject to market fluctuations, which can affect share prices and NAVs (noting that portfolio diversification will tend to reduce this volatility in comparison to stock specific volatility)

(d) regulatory environment – changes in regulatory requirements or tax laws can impact the attractiveness of LICs as investment vehicles.

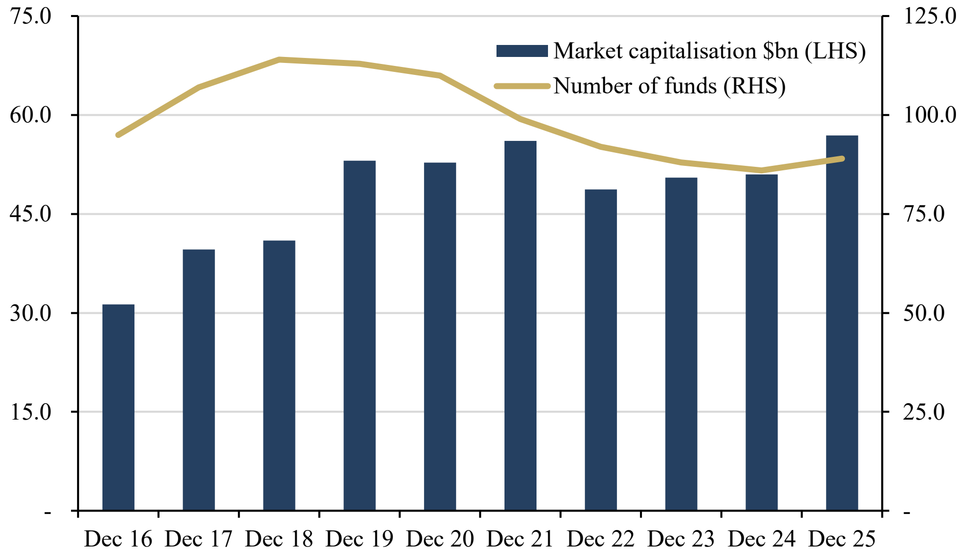
ASX LIC performance

159 The performance of ASX LICs is influenced by a number of variables including macro-economic factors (such as economic growth and the level of interest rates), asset allocation and investment strategy (i.e. value versus growth, Australian versus international shares etc.), stock selection and portfolio management, and the level of management or performance fees. In general, "bullish" markets (i.e. when stock prices are generally increasing) typically drive up the value of ASX LIC portfolios, while "bearish" markets (i.e. when stock prices are generally decreasing) tend to lead to declines in portfolio values.

160 LICs in Australia employ various investment strategies, ranging from actively managed funds to index-tracking portfolios, to Australian focused share investments and international focused share investments. Some LICs focus on providing consistent income through investment in dividend-paying stocks, while others target capital growth through diversified growth-focused equity investments. Additionally, thematic LICs targeting sectors such as technology, healthcare, and sustainable investing have also gained popularity more recently.

161 As shown in the following chart, the number of Australian LICs on the ASX peaked in 2019 and has since reduced, primarily due to industry consolidation, whilst the market capitalisation of Australian LICs has remained at similar levels since 2021:

Australian LICs – market capitalisation and number of funds



Source: *ASX Investment Product Summary – Listed Managed Investments, mFunds and ETPs*, dated December 2016 to December 2025, and LEA analysis.

162 The growing popularity of LICs up to 2019 (as shown by the increasing number of ASX LICs) can be attributed to, inter alia:

(a) outperformance of a number of LICs, most notably entities managed by Wilson Asset Management (WAM). These companies demonstrated resilience during challenging economic times, consistently delivering growth in NAV and income for investors

(b) the implementation of the Future of Financial Advice reforms in 2014. These reforms banned commissions paid to financial planners by managed funds (LICs typically did not receive such commissions). This created a level playing field for LICs to compete with managed funds, as the incentive for financial advisers to favour managed funds over LICs due to commissions was removed.

163 However, the banning of stamping fees[29] in 2020 had a significant impact on the new issue market for LICs, leading to a decline in new LIC offerings. During 2019 a record high of $4 billion was invested in LICs, which dropped significantly after the ban.

164 The increasing number, range and popularity of passive ETFs has also had an impact on LICs, due to:

(a) fee compression – passive ETFs typically have lower management fees compared to actively managed investments. As a result, the rise of passive ETFs has exerted downward pressure on management fees across the investment management industry, including LICs. In response, some LICs have lowered their fees to remain competitive with passive ETFs

(b) investor preference for low-cost options – the popularity of passive ETFs among investors seeking low-cost investment options has grown significantly. Many investors, particularly retail investors and self-managed superannuation funds, are drawn to the cost-effectiveness of passive ETFs over actively managed LICs. This shift in investor preferences has led to increased competition for capital amongst LICs.

165 Competition from passive ETFs has prompted some LICs to innovate and introduce new products or investment strategies to differentiate themselves and attract investors. This includes thematic LICs, alternative investment strategies, and multi-manager approaches designed to offer unique value propositions beyond passive index tracking.

Management expense ratio

166 The MER[30] of LICs can vary depending on factors such as the size of the fund, the investment strategy employed, the management fees charged by the investment manager and whether the LIC is internally or externally managed.

[29] Stamping fees were upfront, one-off commissions paid to financial advisers or brokers. These fees were tied to successfully placing investments with retail investors, specifically in relation to new offerings of LICs and listed investment trusts.

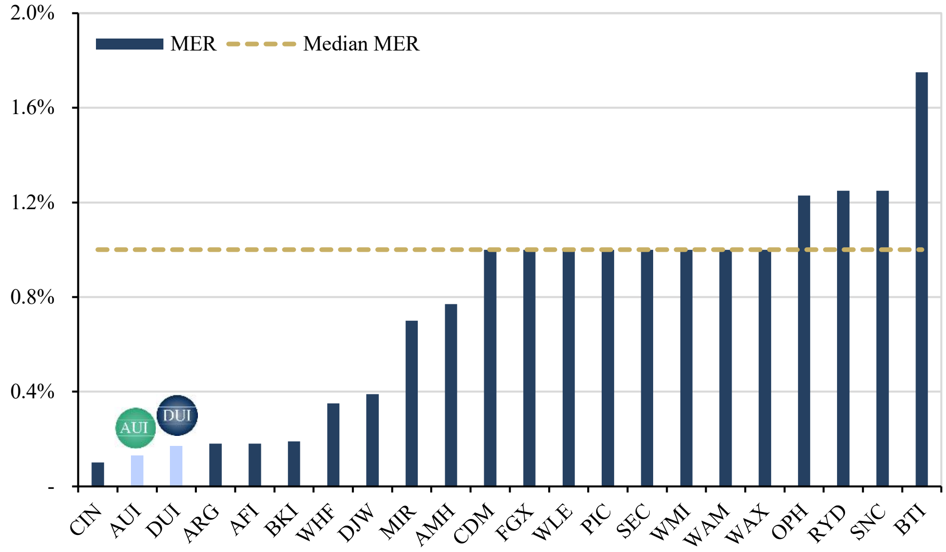
[30] MER is not a defined term for LICs and each reported entity is free to include or exclude costs in composing their version of the reported MER. For some entities this rate excludes performance fees and transaction costs, while this may not be true for others.

167 MERs for ASX LICs range from around 0.1% to 1.8%, depending on the specific fund and its investment approach. Actively managed LICs tend to have higher MERs compared to passively managed or index-tracking LICs, as active management involves higher research and trading costs. Active management can also include performance fees paid on excess returns over a benchmark index. Further, externally managed LICs tend to have higher MERs in comparison to internally managed LICs.

168 A summary of the MER for Australian equity LICs is set out in the following chart, which shows that the median MER for these entities is around 1.0% of assets managed:

Australian equity LICs – MER[(1)]

Per annum cost



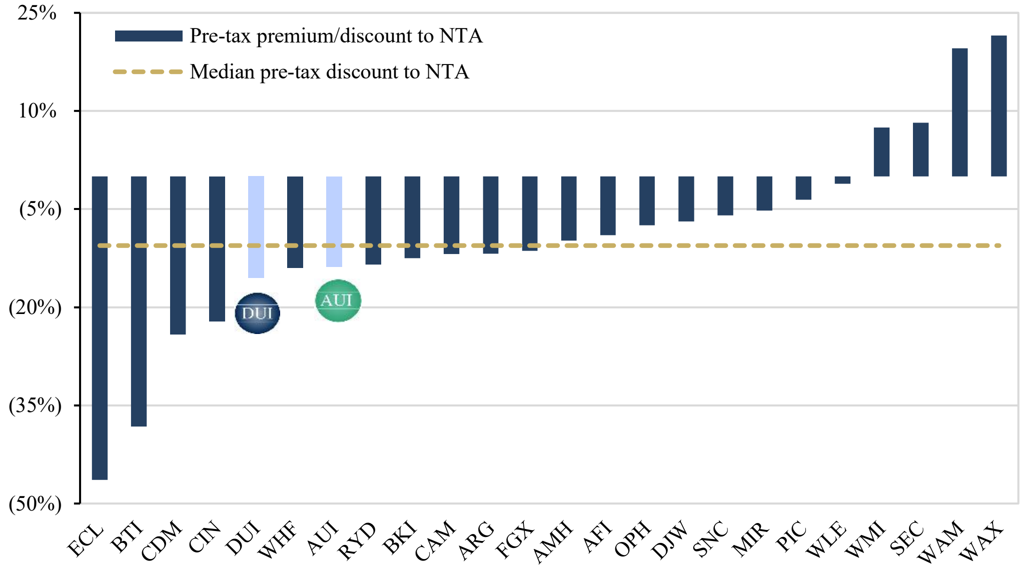
Note:
1 Based on disclosure by the reporting entity.
Source: *ASX Investment Product Summary – Listed Managed Investments, mFunds and ETPs*, dated January 2026, and LEA analysis.

169 As indicated above, AUI and DUI have some of the lowest MERs across Australian equity LICs, reflecting, inter alia, their internalised management structure, relatively low portfolio turnover and no performance fees.

NTA premium or discount to share price

170 An LIC's underlying NTA per share is a regularly reported metric that provides key information about the entity's underlying value. This metric can be reported on a pre or post-tax basis. A summary of the pre-tax NTA premium or discount to share price for Australian equity LICs is as follows:

Australian equity LICs – pre-tax NTA premium or discount to share price(1)(2)



Note:
1 Based on disclosure by the reporting entity.
2 For LICs with a market capitalisation greater than $100 million.
3 Premium / (discount) to NTA calculated based on closing prices as at 31 December 2025.
Source: *ASX Investment Product Summary – Listed Managed Investments, mFunds and ETPs*, dated February 2026, and LEA analysis.

171 As shown above, as at 31 December 2025, Australian equity LICs had discounts / premiums to pre-tax NTA in the range of circa negative 46% (ECL) up to 22% (WAX). However, the vast majority of LICs tend to trade at a discount, with the median discount to pre-tax NTA being 10.6%. AUI and DUI currently trade at broadly similar discounts to pre-tax NTA of around 15%.

172 An LIC's share price reflects investor perceptions, market dynamics, performance expectations, and other factors influencing demand and supply for the LIC's shares and therefore the share price does not always trade at its NTA value. There are several reasons why an LIC's share price might trade at a discount or, conversely, at a premium to its NTA:

(a) reasons for trading at a discount:

(i) closed-end structure – unlike open-ended managed funds, LICs have a fixed number of shares outstanding. This means their supply and demand are determined solely by market forces, not by the underlying value of the assets. If there are more sellers than buyers, the price can fall below the NTA (and vice versa)

(ii) market sentiment – negative market sentiment towards the LIC's specific investment strategy, sector focus, or overall market conditions can lead investors to be less willing to pay the full NTA value for the LIC's shares

(iii) liquidity concerns – smaller or less well-known LICs might face lower liquidity, meaning it can be harder for investors to buy or sell shares quickly. This can lead to an NTA discount as investors may be willing to pay less to compensate for the potential difficulty in exiting their investment

(iv) high fees and costs – if the LIC's ongoing fees and expenses are deemed high by investors, it can make the overall investment proposition less attractive, potentially leading to a discount to the NTA

(v) DTL – some investors may take into consideration the DTLs which would reduce the portfolio's value of those gains were realised

(b) reasons for trading at a premium:

(i) strong track record and performance – LICs with a history of consistent and superior performance compared to their benchmarks or the broader market can attract a premium due to investor confidence in their ability to generate strong returns

(ii) limited availability of shares – in some cases, if the LIC has a limited number of shares outstanding and there is high demand from investors, the competition to buy shares can drive the share price above the NTA

(iii) attractive dividend yield – LICs known for consistently distributing high and reliable dividends, potentially including franking credits for Australian investors, can be more appealing to income-seeking investors

(iv) perceived hidden value – if investors believe the LIC's portfolio is undervalued or has the potential for significant future appreciation, they might be willing to pay a premium above the current NTA in anticipation of future growth.

Outlook

173 While challenges such as fee pressure and competition from alternative investments exist, ASX LICs continue to offer investors diversified portfolios and investment options, professional management, income generation, and access to specialised investment strategies. In a competitive investment landscape, the outlook for individual LICs will therefore depend on their ability to adapt to changing market dynamics, macro-economic thematics, and ultimately deliver value to shareholders.

VI Valuation of AUI pre Proposed Merger (minority interest basis)

Methodology

174 An overview of the generally accepted valuation approaches used in the determination of market value is set out in Appendix C.

175 As AUI is an investment holding company, we have assessed the standalone minority interest value of AUI shares using a net assets approach on a going concern (as opposed to an orderly realisation) basis. Under this approach, the value of AUI is equal to:

(a) the market value of its underlying investment portfolio, less the unrealised DTL liabilities which would arise upon a full realisation of the portfolio. These DTL liabilities are calculated on a discounted basis to reflect that, consistent with AUI's stated long-term investment approach, any such DTL liability would be deferred and would not crystallise unless and until the portfolio is ultimately sold, noting that some disposals may occur in the ordinary course for portfolio rebalancing purposes; plus

(b) the market value of its other net assets / (liabilities); less

(c) net debt and an allowance (as appropriate) for the capitalised value of ongoing administration costs, to reflect the costs associated with managing and rebalancing the Company's investment portfolio (on a going concern basis).

176 For the purposes of our valuation, we have adopted a valuation date of 31 December 2025, as the financial position of AUI has been reviewed by the Company's auditors as at that date.

177 We have cross-checked our valuation assessment against the listed market prices of AUI shares prior to the announcement of the Proposed Merger.

Market value of investment portfolio

178 As set out in Section III, AUI's investment portfolio comprises a number of investments in ASX listed securities. As there is a liquid and active market in respect of these investments, in assessing the value of the equity in AUI we have had regard to the quoted price of the respective listed securities to determine the market value of the underlying investments[31], with the exception of AUI's pre-merger interest in DUI which has been assessed based on our adopted value of DUI shares (as set out in Section VII).

Investment portfolio (excluding shares in DUI)

179 AUI has attributed an aggregate value of $1,614 million to its investment portfolio as at 31 December 2025, excluding cash and receivables and the shares held in DUI. For the purpose of this report we have ranged this value by +/- 2.5% to allow for both:

(a) market fluctuations in underlying share prices; and

(b) the selling costs which would be incurred (on a deferred basis) upon a (notional) sale of the portfolio.

---

31 We note that this approach is consistent with that adopted by AUI, with respect to its listed investment portfolio, when announcing its pre-tax NTA backing per share to the ASX on a weekly basis.

180 We have therefore attributed a value to the listed investment portfolio of $1,574 million to $1,654 million.

181 For completeness, we note that on 6 March 2026, AUI released its unaudited monthly pre-tax NAV and investment portfolio as at 28 February 2026. The value of the portfolio (including cash) as at that date reflected a 5.9% increase as compared to the position as at 31 December 2025 (in contrast, DUI's portfolio was 2.5% higher).

182 Based on the above, we do not consider the movement in market prices since 31 December 2025 to have a material effect on our assessed underlying values, or the conclusions expressed in this report.

AUI's pre Proposed Merger shareholding in DUI

183 As at 31 December 2025, AUI held 14.644 million ordinary shares in DUI (some 6.8% of the shares on issue). For the purposes of our report, we have adopted a value for this investment based on our assessed minority interest value of DUI shares as set out in Section VII as follows:

AUI – assessed value of shares in DUI[1]	Para	Low	High
DUI shares held by AUI (million)	150	14.6	14.6
Assessed minority interest value of DUI shares ($ / share)	213	5.18	5.48
Assessed minority interest value of AUI shares in DUI ($m)		75.8	80.2

Note:
1 Rounding differences may exist.

DTL

184 As noted in Section III, the immediate realisation of the investment portfolio for the values attributed to the portfolio by AUI as at 31 December 2025 would result in the crystallisation of a total DTL of some $300 million.

185 However, AUI is a long-term investor and has no current plans to liquidate its portfolio (other than for rebalancing) in the foreseeable future. We note this is consistent with the manner in which the portfolio has been managed in recent years, with annual cash realisations as a percentage of the value of the total portfolio having been relatively low (less than 10% per annum).

186 Given the above, in our opinion, it is appropriate to recognise that the present value of the DTL is significantly less than the amount that would be payable upon a notional immediate realisation of the investment portfolio. In considering an appropriate allowance for the DTL for the purpose of this report we have had regard to (inter alia):

(a) the implied allowance for DTL's inherent in the traded prices of AUI shares prior to the announcement of the Proposed Merger, which generally ranged from 75% to 85%[32]. However, we note the discount at which AUI shares trade relative to its pre-tax NTA

32 Based upon its published monthly NTA updates over the last 12 months, calculated as the difference between AUI's reported pre-tax NTA per share and the AUI share price, divided by the total estimated DTL per share (being the difference between the reported pre-tax and post-tax NTA per share).

per share reflects, among other factors, an allowance for the DTL (albeit on a discounted basis) as well as any discount attributable to the limited free float and liquidity of AUI shares. If the liquidity discount were capable of separate quantification, the implied proportion of the DTL reflected in the AUI share price would be lower than that indicated above. We note that the discount to which AUI shares trade relative to its pre-tax NTA may also reflect an allowance for the ongoing administrative / transaction costs of managing and rebalancing the portfolio. Accordingly, the estimated proportion of the DTL allowed for under this methodology is likely to represent the upper bound[33]

(b) the present value of the DTL assuming AUI's investment portfolio is realised over a longer period of time (consistent with recent management of the portfolio).

187 Whilst subjective, for valuation purposes we have made an allowance of between 85% (low value) and 75% (high value) of the DTL which would otherwise crystallise upon a notional immediate realisation of the investment portfolio.

188 Based on the above we have made the following allowance for DTLs:

AUI – allowance for DTLs	Low $m	High $m
DTL upon notional immediate realisation of the portfolio	(287.1)	(312.6)
Proportion of DTL recognised for valuation purposes	85%	75%
Allowance for present value of DTLs	(244.0)	(234.4)

Other net assets / (liabilities)

189 As at 31 December 2025, AUI had other net liabilities of $3.4 million, consisting of a put option and other assets, less an allowance for current tax liabilities, call option liabilities, payables, accruals and other DTLs (not associated with unrealised investment gains). The reported value of these other assets and liabilities are considered to be reflective of their underlying market values.

Net debt

190 As at 31 December 2025, AUI had net debt of $66.5 million:

AUI – net debt	31 Dec 25 $m
Cash and cash equivalents	20.6
Trust distributions receivable	2.8
Borrowings	(90.0)
Net debt	(66.5)

33 That said, we note that AUI's ongoing administrative expenses and the transaction costs required to manage / rebalance the existing portfolio are not material as a proportion of its investment portfolio value.

Ongoing administration expenses

191 As our valuation of AUI is undertaken on a going concern basis and therefore assumes the portfolio is retained (rather than liquidated), it is appropriate to consider an allowance for AUI's ongoing administration expenses. These expenses (net of recoveries) amounted to some $1.6 million and $0.8 million (before tax) in FY25 and 1H26 respectively.

192 However, given the relative immateriality of these expenses (around 0.10% of the value of the investment portfolio), we have made no allowance for ongoing administrative expenses in our assessment of the value of AUI shares on a portfolio basis.

Valuation of AUI pre Proposed Merger (minority interest basis)

193 Based on the above, we have assessed the (standalone) value of AUI shares on a minority interest basis as at 31 December 2025 as follows:

Valuation of AUI pre Proposed Merger (minority interest basis)[1]

	Paragraph	Low $m	High $m
Market value of investment portfolio (ex DUI)	180	1,573.4	1,654.1
Minority interest value of AUI shares in DUI	183	75.8	80.2
Allowance for DTL	188	(244.0)	(234.4)
Other net assets / (liabilities)	189	(3.4)	(3.4)
Net debt	190	(66.5)	(66.5)
Allowance for ongoing administration expenses (immaterial)	192	-	-
Assessed equity value of AUI[2]		1,335.3	1,429.9
AUI shares on issue (million)	128	123.8	123.8
Assessed equity value of AUI per share ($)[2]		10.79	11.55

Note:
1 Rounding differences may exist.
2 No adjustment has been made for the 1H26 dividend of 17.0 cents per share (declared on 19 February 2026). However, we do not consider this to have any material impact on our analysis of the Proposed Merger as both entities have been assessed consistently and the dividend payments are not expected to have a significant effect on the exchange ratio.

Comparison with share market trading

194 In the one and three month periods prior to the announcement of the Proposed Merger on 30 January 2026, the volume weighted average price (VWAP) of AUI shares was $11.30 and $11.15 per share respectively. We note that our assessed value of the shares in AUI (on a minority interest basis) is consistent with the prices at which AUI shares traded prior the announcement of the Proposed Merger, noting that although the AUI share price does fluctuate based on the performance of its underlying investment portfolio, the valuation of AUI's investment portfolio has been relatively stable over the three month period to 30 January 2026[34].

34 The pre-tax NTA of AUI shares has ranged from $13.06 to $13.39 from 31 October 2025 to 31 January 2026.

VII Valuation of DUI pre Proposed Merger (minority interest basis)

Methodology

195 An overview of the generally accepted valuation approaches used in the determination of market value is set out in Appendix C.

196 As DUI is also an investment holding company, we have assessed the standalone minority interest value of DUI shares using a net assets approach on a going concern (as opposed to an orderly realisation) basis. This is consistent with the basis upon which the standalone minority interest value of AUI shares was assessed in Section VI.

197 For the purposes of our valuation, we have adopted a valuation date of 31 December 2025, as the financial position of DUI has been reviewed by the company's auditors as at that date.

198 We have also cross-checked our valuation against the listed market prices of DUI shares prior to the announcement of the Proposed Merger.

Market value of investment portfolio

199 As set out in Section IV, DUI's investment portfolio primarily comprises a number of investments in ASX listed securities, in addition to seven international ETFs and one international managed fund. As there is a liquid and active market in respect of these investments, in assessing the value of the equity in DUI we have had regard to the quoted price of the respective listed securities to determine the market value of the underlying investments[35]. We note that this approach is consistent with that adopted by DUI, in respect of its listed investment portfolio, when announcing its pre-tax NTA backing per share to the ASX on a weekly basis.

200 DUI has attributed an aggregate value of $1.388 million to its investment portfolio as at 31 December 2025. For the purpose of this report we have ranged this value by +/- 2.5% to allow for both:

(a) market fluctuations in underlying share prices

(b) the selling costs which would be incurred (on a deferred basis) upon a (notional) sale of the portfolio.

201 We have therefore attributed a value to the listed investment portfolio of $1,353 million to $1,423 million.

202 For completeness, we note that on 6 March 2026, DUI released its unaudited monthly pre-tax NAV and investment portfolio as at 28 February 2026. The value of the portfolio (including cash) as at that date reflected a 2.5% increase as compared to the position as at 31 December 2025 (in contrast, AUI's portfolio increased by approximately 5.9%)

[35] The value of the investment in the unlisted Northcape Capital Global Emerging Market Fund is based on the unit price of the investment provided by the fund manager as at the balance date.

203 Based on the above, we do not consider the movement in market prices since 31 December 2025 to have a material effect on our assessed underlying values, or the conclusions expressed in this report.

DTL

204 As noted in Section IV, the immediate realisation of the investment portfolio for the values attributed to the portfolio by DUI as at 31 December 2025 would result in the crystallisation of a total DTL of some $259 million.

205 However, DUI is a long-term investor and has no current plans to liquidate its portfolio (other than for rebalancing) in the foreseeable future. We note this is consistent with the manner in which the portfolio has been managed in recent years, with annual cash realisations as a percentage of the value of the total portfolio having been relatively low (generally less than 10% per annum).

206 Given the above, it is appropriate to recognise that the present value of the DTL is significantly less than the amount that would be payable upon a notional realisation of the investment portfolio. In considering an appropriate allowance for DTLs for the purpose of this report we have had regard to (inter alia):

(a) the implied allowance for DTLs inherent in the traded prices of DUI shares prior to the announcement of the Proposed Merger of around 85% to 90%[36] (noting the estimated proportion of the DTL allowed for under this methodology suffers from the same limitations described at paragraph 186 of Section VI)

(b) the present value of the DTL assuming DUI's investment portfolio is realised over a long period of time (consistent with recent management of the portfolio).

207 Whilst subjective, for valuation purposes we have made an allowance of between 90% (low value) and 85%% (high value) of the DTL which would otherwise crystallise upon a notional immediate realisation of the investment portfolio.

208 Based on the above we have made the following allowance for DTLs:

DUI – allowance for DTLs	Low $000	High $000
DTL upon notional realisation of portfolio	(248.7)	(269.5)
Allowance for DTL	90%	85%
Allowance for present value of DTL	(223.8)	(229.1)

Other net assets / (liabilities)

209 As at 31 December 2025, DUI had other net liabilities of $3.0 million, consisting of prepayments and input tax credits, less an allowance for current tax liabilities, payables, accruals and other deferred tax liabilities (not associated with unrealised investment gains).

36 Based upon its published monthly NTA updates over the last 12 months and is calculated as the difference between DUI's reported pre-tax NTA per share and the DUI share price, divided by the total estimated DTL per share (being the difference between the reported pre-tax and post-tax NTA per share).

The reported value of these other assets and liabilities are considered to be reflective of their underlying market values.

Net debt

210 As at 31 December 2025, DUI had net debt of $17.2 million:

DUI – net debt	31 Dec 25 $m
Cash and cash equivalents	8.1
Trust distributions receivable	4.7
Borrowings	(30.0)
Net debt	(17.2)

Ongoing administration expenses

211 As our valuation of DUI is undertaken on a going concern basis and therefore assumes the portfolio is retained (rather than liquidated), it is appropriate to consider an allowance for DUI's ongoing administration expenses. These expenses amounted to some $1.6 million from FY23 to FY25 and were some $0.8 million during 1H26.

212 However, given the relative immateriality of these expenses (around 0.12% of the value of the investment portfolio), we have made no allowance for ongoing administrative expenses in our assessment of the value of DUI shares on a minority interest basis.

Valuation of DUI pre Proposed Merger (portfolio basis)

213 Based on the above, we have assessed the (standalone) value of DUI shares on a portfolio basis as at 31 December 2025 as follows:

Valuation of DUI pre Proposed Merger (minority interest basis)[1]	Paragraph	Low $m	High $m
Market value of investment portfolio	201	1,353.1	1,422.5
Allowance for deferred tax liability	208	(223.8)	(229.1)
Other net assets / (liabilities)	209	(3.0)	(3.0)
Net debt	190	(17.2)	(17.2)
Allowance for ongoing administration expenses (immaterial)	211	-	-
Assessed equity value of DUI[2]		1,109.1	1,173.3
DUI shares on issue (million)	149	214.3	214.3
Assessed equity value of DUI per share ($)[2]		5.18	5.48

Note:
1 Rounding differences may exist.
2 No adjustment has been made for the 1H26 dividend of 7.0 cents per share (declared on 20 February 2026). However, we do not consider this to have any material impact on our analysis of the Proposed Merger as both entities have been assessed consistently and the dividend payments are not expected to have a significant effect on the exchange ratio.

Comparison with share market trading

214 In the one and three month periods prior to the announcement of the Proposed Merger on 30 January 2026, the VWAP of DUI shares was $5.35 and $5.32 per share respectively. We note that our assessed value of the shares in DUI (on a minority interest basis) is consistent with the prices at which DUI shares traded prior the announcement of the Proposed Merger, noting that although the DUI share price does fluctuate based on the performance of its underlying investment portfolio, the valuation of DUI's investment portfolio has been relatively stable over the three month period to 30 January 2026[37].

[37] The pre-tax NTA of DUI shares has ranged from $6.37 to $6.49 from 31 October 2025 to 31 January 2026.

VIII Valuation of the Merged Group

Overview

215 In this section we set out our estimate of the minority interest value of the shares in the Merged Group (i.e. the value of AUI shares on a post-merger basis). We have estimated the equity value of the Merged Group, by aggregating:

(a) the standalone minority interest equity value of AUI (per Section VI), excluding the value of the 14.6 million shares in DUI currently held by AUI; plus

(b) the standalone minority interest equity value of DUI (per Section VII); plus

(c) the value of the potential transaction and other benefits that are expected to arise from the merger of AUI and DUI; less

(d) the expected transaction costs (that have not already been incorporated within our standalone minority interest valuations of each company).

216 Our underlying value assessment of AUI shares post-merger has been assessed as at 31 December 2025 (consistent with our assessed standalone minority interest equity values of AUI and DUI in Sections VI and VII respectively).

217 We have divided our assessed value of the equity in the Merged Group by the estimated enlarged number of shares on issue in AUI (on a post-merger basis) to derive an assessed minority interest value of the shares in the Merged Group.

218 We have cross-checked our assessed minority interest value of the shares in the Merged Group against the listed market price of AUI shares in the period subsequent to the announcement of the Proposed Merger on 30 January 2026.

Valuation of the Merged Group

Value of AUI on a standalone basis

219 In Section VI we assessed the value of 100% of the equity in AUI on a minority interest basis prior to implementation of the Proposed Merger at between $1,335 million to $1,430 million.

Value of AUI's pre Proposed Merger interest in DUI

220 We note that due to AUI's existing shareholding in DUI, 6.8% of the value of DUI is already "owned" by AUI. Accordingly, we have deducted the value of the DUI shares held by AUI of some $65 million to $70 million which is reflected in our assessed standalone value of AUI as at 31 December 2025 (noting this value range includes an allowance for the unrealised DTL on the investment).

Value of DUI on a standalone basis

221 In Section VII we assessed the value of 100% of the equity in DUI on a minority interest basis prior to implementation of the Proposed Merger (as at 31 December 2025) at between $1,109 million to $1,173 million.

Value of expected synergy benefits

222 The Proposed Merger reflects a combination of two investment companies which share similar long-term objectives and investment philosophies, and have a reasonable overlap in

their investment portfolio holdings. Notwithstanding this strategic alignment, there is not expected to be any wholesale change to the investment mandate or operations team of the Merged Group. While day-to-day operational related synergies are expected to be relatively modest, some efficiencies are anticipated at the corporate level.

223 The AUI Board has estimated scope for annual cost savings of approximately $0.7 million per annum[38] from the combination of the two companies, relating to directors' fees, ASX listing fees, Directors & Officers insurance and other head office related costs. However, the value of these cost savings is minor relative to the value of the Merged Group[39]. We also note that our assessed value of AUI and DUI shares on a standalone basis prior to the Proposed Merger did not incorporate any allowance for the ongoing administration costs (given the immateriality of these costs to each entity). Accordingly, we have not reflected any allowance for these cost savings in our assessed value of AUI shares post implementation of the Proposed Merger.

Potential reduction in deferred tax liabilities

224 In considering any incremental value expected to arise from the merger of the two companies, we have considered the benefit available on the assumption that tax consolidation principles are applied following the Proposed Merger and will reduce the DTL on DUI's investment portfolio as a result of the tax cost base of the portfolio assets being reset [40]. In this regard, we have made an appropriate allowance for the DTL benefits that may arise from the Proposed Merger. Consistent with our valuation of AUI on a standalone basis prior to the Proposed Merger, we have made an allowance of between 85% (low value) and 75% (high value) of the estimated DTL post merger.

Transaction costs

225 AUI and DUI will collectively incur one-off transaction costs associated with the Proposed Merger of some $2.8 million excluding GST (pre-tax)[41]. However, as these costs are relatively immaterial, we have not made any allowance for these transaction costs.

Shares on issue

226 The exchange ratio for the Proposed Merger will be based on the pre-tax NTA per share of DUI divided by the pre-tax NTA per share of AUI, as adjusted for estimated transaction costs, as at five business days before the Scheme meeting (Scheme Calculation Date)[42].

227 As the exchange ratio will be determined by reference to the relevant pre-tax NTAs prevailing on the Scheme Calculation Date, the precise number of AUI shares to be issued to DUI shareholders cannot be known in advance. That said, for the purposes of our valuation analysis we need to adopt an assumed exchange ratio. As our underlying standalone valuations of AUI and DUI have been prepared as at 31 December 2025, for consistency, we consider it appropriate to apply the implied exchange ratio on the same date. Our calculation of the exchange ratio as at 31 December 2025 is set out below:

---

38 Which represents approximately 21% of annual administration expenses for the combined companies.

39 These cost savings represent less than 0.2% of the total investment portfolio values of the Merged Group.

40 We note however, that the quantum of the cost base rest is subject to uncertainty.

41 Comprising some $1.0 million for AUI and $1.8 million for DUI.

42 Both companies' pre-tax NTAs are to be adjusted from transaction costs, however these costs are relatively immaterial and are unlikely to have any significant bearing on the final exchange ratio.

Calculation of implied exchange ratio under the Proposed Merger	Reported pre-tax NTA $ per share
DUI pre-tax NTA per share (as at 31 Dec 25)	6.38
AUI pre-tax NTA per share (as at 31 Dec 25)	13.11
Exchange ratio	0.487

228 For completeness, we note that due to the relatively high degree of overlap between the investment portfolios of AUI and DUI, movements in their respective pre-tax NTAs have historically been closely aligned. Accordingly, the implied exchange ratio based on the reported pre-tax NTA of AUI and DUI shares has remained fairly constant in recent history (e.g. the ratio over the three month period to 31 January 2026 has ranged between 0.476 and 0.487[43]).

229 Based on the 31 December 2025 exchange ratio we have calculated both the number of AUI shares to be issued to DUI shareholders, together with the number of AUI shares on issue subsequent to implementation of the Proposed Merger. This calculation reflects:

(a) DUI shares on issue as at 31 December 2025 of 214.3 million, of which 14.6 million (representing a 6.8% interest in DUI) are already held by AUI. The number of DUI shares to be acquired pursuant to the Proposed Merger is therefore 199.6 million

(b) AUI shares on issue as at 31 December 2025 of 123.8 million

AUI shares on issue (post implementation of the Proposed Merger)[1]	millions
DUI shares on issue	214.3
Less DUI shares already held by AUI	(14.6)
DUI shares to be acquired pursuant to Proposed Merger	199.6
Exchange ratio (based on 31 Dec 25 pre-tax NTAs)	0.487
AUI shares issued to DUI shareholders	97.2
AUI shares on issue pre-merger	123.8
AUI shares on issue post-merger	220.9
AUI shareholders' collective ownership interest in Merged Group (%)	56.0%
DUI shareholders' collective ownership in Merged Group (%)	44.0%

Note:
1 Rounding differences may exist.

Valuation summary

230 Based on the above, for the purpose of this report, we have assessed the value of AUI shares on a minority interest basis subsequent to implementation of the Proposed Merger (as at 31 December 2025) as follows:

43 Refer to paragraph 243 of Section IX for further details.

Value of AUI post-transaction	Paragraph	Low $m	High $m
Value of AUI (standalone)[1]	219	1,335.3	1,429.9
Less value of DUI shares held already held by AUI	220	(64.8)	(69.5)
Value of DUI (standalone)[1]	221	1,109.1	1,173.3
Subtotal		2,379.6	2,533.7
Allowance for operating cost savings (immaterial)	223	-	-
Potential reduction in DUI's DTL	224	176.1	171.3
Allowance for transaction costs (immaterial)	225	-	-
Value of AUI post-merger[1]		2,555.6	2,705.0
AUI shares on issue post-merger (millions)	229	220.9	220.9
Value of AUI post-merger – $ per share		11.57	12.24

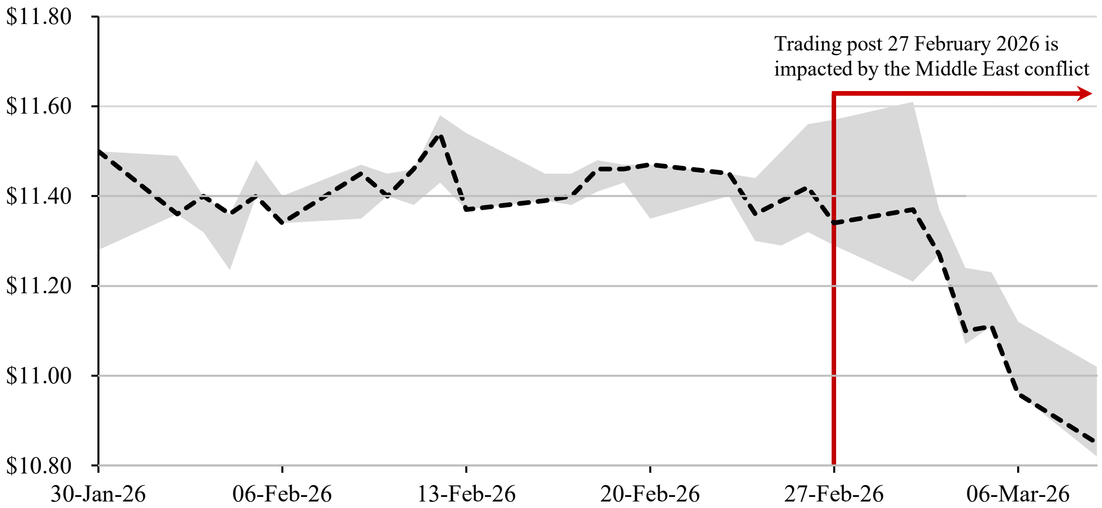
Note:

1 No adjustment has been made for the AUI and DUI 1H26 dividends of 17.0 cents and 7.0 cents per share (declared on 19 and 20 February 2026 respectively). However, we do not consider this to have any material impact on our analysis of the Proposed Merger as both entities have been assessed consistently and the dividend payments are not expected to have a significant effect on the exchange ratio.

Recent share trading

231 We have cross-checked our assessed value of the equity in the Merged Group against the listed market price of AUI shares in the period subsequent to the announcement of the Proposed Merger on 30 January 2026. To the extent the Proposed Merger is expected to proceed, these prices should, in theory, provide a reasonable indication as to the market's unbiased view of the combined value of the companies and the synergy benefits that are expected to arise. A summary of the post announcement trading in AUI shares is set out below:

AUI share trading post announcement[1][2]
30 January 2026 to 9 March 2026



Note:

1 The intraday high and low AUI price is represented by the grey shaded area and the black line represents the AUI closing share price.

2 On 27 February 2026, AUI shares traded ex entitlement to the 0.17 cent FY26 interim dividend. Share trading after this period has therefore been adjusted to include an allowance for the FY26 interim dividend (i.e. to reflect estimated trading in AUI shares on a cum dividend basis).

Source: FactSet.

232 As indicated above, recent trading in AUI shares has been impacted by the conflict in the Middle East which began on 28 February 2026. For the purposes of cross-checking our underlying value assessment of the equity in the Merged Group on a minority interest basis (which is based on a valuation date of 31 December 2025), we do not consider share trading after 27 February 2026 to be a relevant reference point for this purpose[44].

233 The following table sets out the prices at which AUI shares have traded in the period subsequent to the announcement of the Proposed Merger up to 27 February 2026:

AUI – share price history (post announcement of the Proposed Merger)					
Time periods	Low $	High $	VWAP $	Number traded m	Value traded $m
30 January 2026 to 26 February 2026(1)	11.24	11.58	11.40	0.6	7.2
27 February2026(2)	11.29	11.57	11.36	0.03	0.3

Note:
1 Being the last day AUI shares traded cum the 1H26 dividend.
2 On 27 February 2026, AUI shares traded ex entitlement to the 0.17 cent FY26 interim dividend. Share trading on this day has therefore been adjusted to include an allowance for the FY26 interim dividend (i.e. to reflect estimated trading in AUI shares on a cum dividend basis).
Source: FactSet.

234 As noted above, subsequent to the announcement of the Proposed Merger in the period to 27 February 2026[45], shares in AUI have generally traded at between $11.30 and $11.50 per share on a cum (1H26) dividend basis, with a VWAP of $11.40 per share over the period. We note that the trading prices of AUI shares over this period:

(a) represent a discount of around 13.5% to the pro-forma pre-tax NTA of the Merged Group of $13.18[46] which is broadly consistent with the observed discounts for which AUI shares traded prior to the announcement of the Proposed Merger

(b) represents a discount of around 1.6% to the pro-forma post-tax NTA of the Merged Group as at 31 December 2025 of $11.58[47]. This contrasts with the slight premiums at which AUI shares traded relative to its reported post-tax NTA prior to the announcement of the Proposed Merger. This divergence may be a result of the post announcement prices of AUI shares not attributing any material value to the potential reduction in DUI's DTLs, which may arise as a result of the Proposed Merger.

235 Due to the divergence discussed above at paragraph 234(b), to determine whether AUI shareholders are better off in value terms as a result of the Proposed Merger we have considered both our underlying value assessment and listed market prices on a before and after basis (refer to Section IX).

44 We note that the decline in AUI's share price post 27 February 2026 is broadly consistent with that of the ASX 100 Index as at 9 March 2026 (noting the AUI portfolio is primarily comprised of ASX 100 companies).

45 Being the last trading day before the conflict in the Middle East impacted the Australian sharemarket.

46 Refer to paragraph 267.

47 Refer to paragraph 267.

IX Evaluation of the Proposed Merger

236 In our opinion, the acquisition of the DUI shares from IPF under the Proposed Merger is fair and reasonable to AUI Shareholders (i.e. AUI shareholders not associated with IPF). We have formed this opinion for the reasons set out below.

Basis of assessment

237 As IPF will receive the same consideration for its DUI shares under the Proposed Merger as all other DUI shareholders (i.e. the IPF related party transaction is a component of the Proposed Merger), in our opinion, the most appropriate basis upon which to assess the fairness and reasonableness of the related party component of the Proposed Merger is to determine whether the Proposed Merger is fair and reasonable as a whole.

238 If the Proposed Merger is considered fair and reasonable as a whole, then the acquisition of IPF's DUI shares, which would occur as part of the Proposed Merger on identical terms to those applying to all other DUI shareholders, must also be fair and reasonable to AUI Shareholders for the purposes of ASX Listing Rule 10.1.

239 The Proposed Merger is not structured as a change of control transaction and there was no intention for the merger terms to deliver a control premium to DUI shareholders. Furthermore, ownership of the Merged Group will be shared between each group of shareholders (56.9% by AUI and 43.1% by DUI) and operational control is expected to remain relatively unchanged.

240 Accordingly, as noted in Section II, LEA has assessed the Proposed Merger (as a whole) as a "merger of equals" rather than a change of control transaction. The key issues in respect of the Proposed Merger from the perspective of AUI shareholders (as a whole) is therefore whether:

(a) AUI shareholders obtain a collective ownership interest in the Merged Group that is consistent with (or greater than) the relative value they contribute to the Merged Group

(b) from a value perspective, AUI shareholders are likely to be better off if the Proposed Merger proceeds

(c) the advantages of the Proposed Merger outweigh the disadvantages.

Assessment of "fairness"

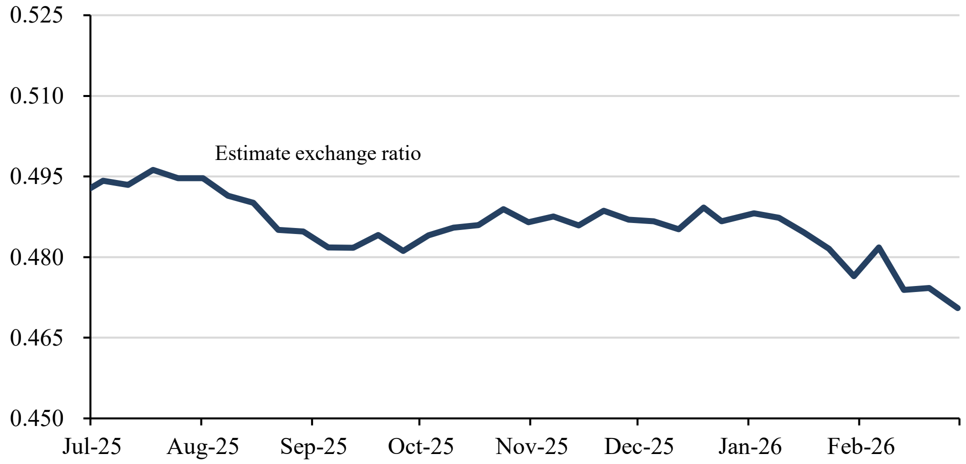
Relative value contribution

241 As stated above, in assessing a merger, one of the key considerations is whether the value contributed by each of the merger partners is consistent with the merger terms (i.e. whether the value contributed to the merged entity is consistent with the respective collective ownership interests each group of shareholders will hold in the merged entity). Consequently, when assessing mergers it is important that a consistent basis of valuation be used. That is, when assessing the relative value contribution, both companies should be valued either with or without a premium for control. This reflects the fact that it is the relative value of each company which is relevant to the assessment rather than each company's absolute value.

242 If the Proposed Merger is approved and implemented, DUI shareholders are currently estimated to receive 0.4705 AUI shares for each DUI share held, based on the weekly pre-tax NTA of AUI and DUI as at 28 February 2026[48] (Estimated Exchange Ratio). This would result in AUI shareholders holding an aggregate interest in the Merged Group of some 56.9% (Estimated AUI Merged Group Interest), while DUI shareholders will hold an aggregate interest of some 43.1%.

243 However, as the exchange ratio for the Proposed Merger will be determined by reference to the relevant pre-tax NTAs prevailing on the Scheme Calculation Date, the precise number of AUI shares to be issued to DUI shareholders (and the proportion of the Merged Group held by AUI / DUI shareholders) cannot be known in advance. That said, due to the relatively high degree of overlap between the investment portfolios of AUI and DUI, movements in their respective pre-tax NTAs have historically been closely aligned as illustrated in the exchange ratio chart below:

Estimated Exchange Ratio based on pre-tax NTA per share[(1)]
1 July 2025 to 28 February 2026



Note:
1 Exchange ratio is based upon the reported weekly pre-tax NTA of AUI and DUI.
Source: AUI and DUI weekly pre-tax NTA announcements and LEA analysis.

244 Accordingly, the precise aggregate interest that each shareholder group will acquire in in the Merged Group is likely to be very similar to the estimated position set out above (i.e. 56.9% and 43.1%).

245 For the purpose of forming our view on this aspect of our overall assessment, we have considered the relative value contributed by AUI shareholders to the Merged Group as compared to the Estimated AUI Merged Group Interest, primarily by reference to the following:

(a) LEA's estimates of the underlying minority interest value of each company

(b) the pre and post-tax NTA per share of both AUI and DUI

(c) the listed market price of both AUI and DUI.

48 Being the most recently published pre-tax NTA available as at the date of our report.

Relative value contributions – underlying value

246 LEA has assessed the underlying value of 100% of AUI and DUI as at 31 December 2025 on a minority interest basis in Sections VI and VII of this report.

247 Our analysis of the relative underlying value contribution by each entity is as follows:

Relative value contribution based on LEA's assessment of underlying value

	Paragraph	Low $m	High $m	Midpoint $m
AUI equity value – minority interest basis	193	1,335	1,430	1,383
DUI equity value – minority interest basis	213	1,109	1,173	1,141
Relative value contribution – AUI		54.6%	54.9%	54.8%
Relative value contribution – DUI		45.4%	45.1%	45.2%

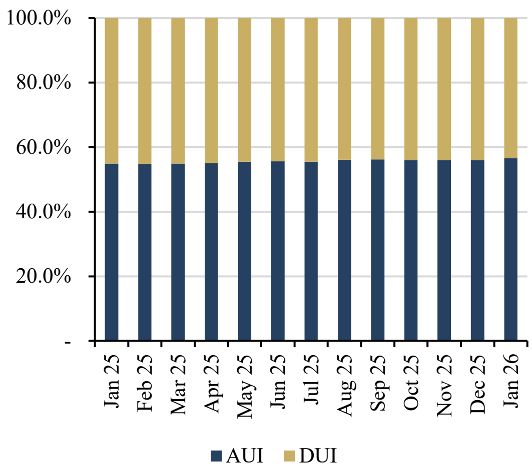
248 Based upon the above underlying valuation analysis, AUI shareholders will have a collective interest in the Merged Group that is broadly consistent with the value contributed by AUI to the Merged Group.

Relative value contribution – Pre and post-tax NTA

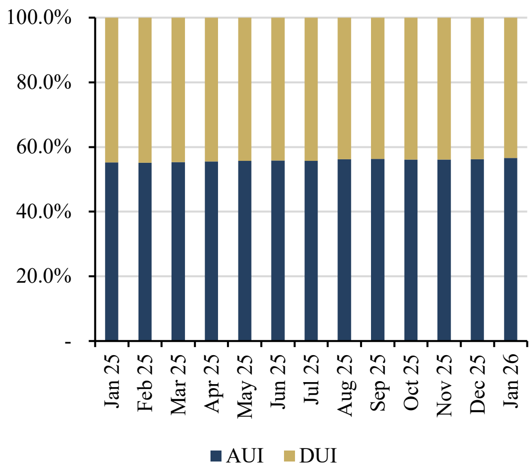
249 AUI's contribution to the NTA of the Merged Group on a pre-tax and post-tax basis (based on the monthly NTA updates published by AUI and DUI on the ASX since January 2025) is shown below:

Relative value contribution based on reported NTA

Pre-tax NTA(1)



Post-tax NTA(1)



Note:
1 Calculated as the NTA of AUI divided by the NTA of the Merged Group, noting the NTA of the Merged Group has been adjusted to exclude the value of the shares in DUI already held by AUI so as to avoid a double count.
Source: AUI and DUI monthly NTA announcements and LEA analysis.

250 Over the period set out above, the value contributed by AUI to the Merged Group represented an average of 55.6% on a pre-tax NTA basis and 55.8% on a post-tax NTA basis. Accordingly, AUI shareholders will have a collective interest in the Merged Group that is again broadly consistent with the value contributed by AUI to the Merged Group on an pre-tax and post-tax NTA basis.

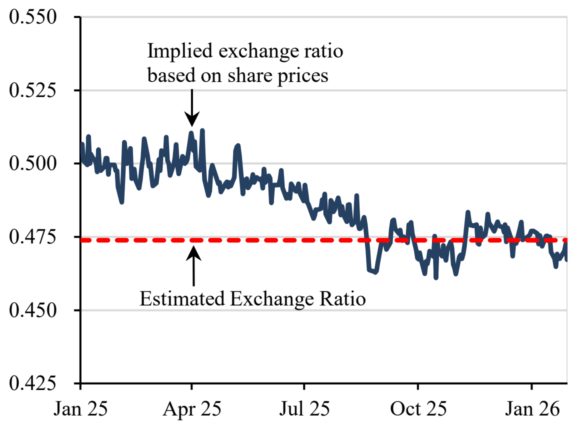
Relative value contribution – sharemarket trading

251 Notwithstanding shares in AUI and DUI are relatively thinly traded, we have also considered the listed market prices for AUI and DUI as an objective measure of the relative (minority interest) value contributions made by each group of shareholders to the Merged Group.

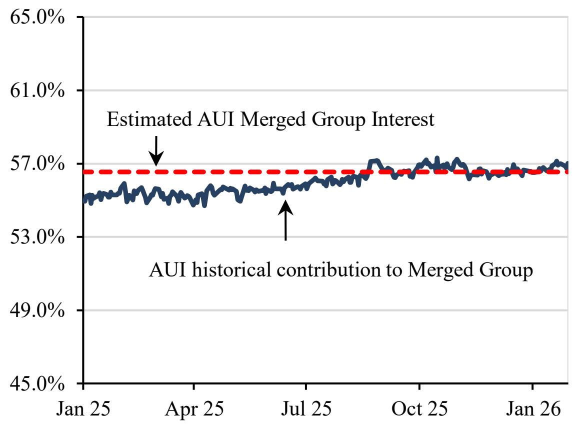
252 AUI's contribution to the combined sharemarket value of the two companies from 1 January 2025 to 29 January 2026 (being the last trading day prior to the announcement of the Proposed Merger) based on listed market prices is visually depicted below:

Relative value contribution based on listed market prices

Exchange Ratio[(1)]



AUI contribution to Merged Group[(2)]



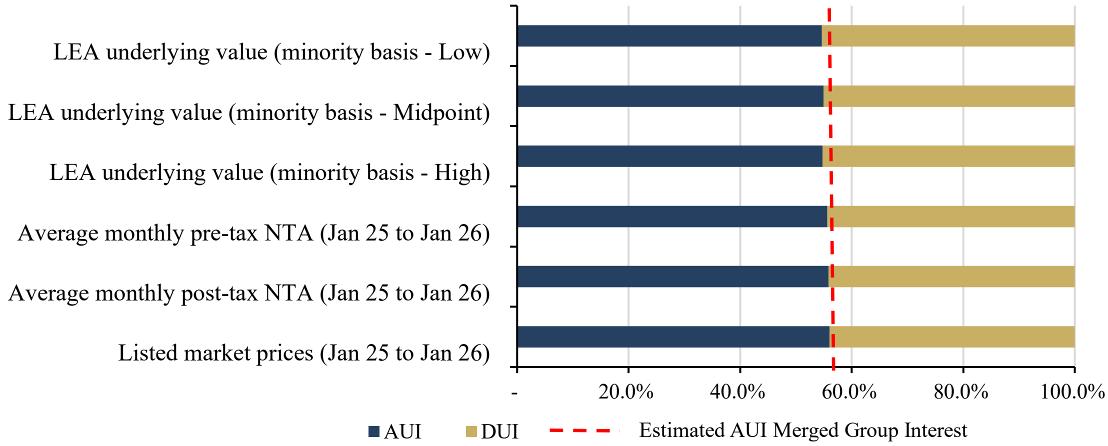
Note:
1 DUI closing price divided by AUI closing price.
2 AUI market capitalisation divided by aggregate of AUI and DUI market capitalisations. Market capitalisation based on closing prices and number of shares on issue as at the relevant date. DUI market capitalisation has been adjusted to exclude the 14.6 million shares held by AUI.
Source: FactSet and LEA analysis.

253 The charts indicate that the proportion of the value historically contributed by AUI to the Merged Group is broadly consistent with the collective interest that AUI will receive in the Merged Group, noting AUI contributed approximately 56% to the Merged Group based on average share trading over the period set out above.

Conclusion on relative value contributions

254 The contribution of value by AUI shareholders to the Merged Group relative to the Estimated AUI Merged Group Interest is summarised graphically below:

Relative value contributions to the Merged Group



Source: AUI and DUI monthly NTA announcements, FactSet and LEA analysis.

255 On balance, the analysis above indicates that the Estimated AUI Merged Group Interest (of some 56.9%) is broadly consistent with the relative value AUI is contributing to the Merged Group. As a result, in our opinion, the Merger terms are fair when assessed in accordance with the guidelines set out in RG 111.

Value position before and after implementation of the Proposed Merger

256 In addition to assessing "fairness" by reference to relative value contributions, we have also compared the position of AUI shareholders before and after implementation of the Proposed Merger taking into account the value of the synergies and other benefits that are expected to be generated should the Proposed Merger proceed. Our comparison has been undertaken on a like-with-like basis by comparing our assessed value of a minority interest in AUI prior to the announcement of the Proposed Merger with our assessed value of AUI shares if the Proposed Merger is approved and implemented, which has also been assessed on a minority interest basis. As set out in Sections VI and VIII, our underlying value assessment of AUI pre and post the Proposed Merger has been undertaken adopting a valuation date of 31 December 2025.

257 The following table summarises our analysis:

Comparison of underlying AUI share value (minority basis) pre and post the Proposed Merger

	Paragraph	Low $	High $
Minority interest value of AUI shares (Pre-Merger)	193	10.79	11.55
Minority interest value of AUI shares (Post-Merger)	230	11.57	12.24
Potential value uplift based on underlying values		0.78	0.69
Potential value uplift based on underlying values (%)		*7.2%*	*6.0%*

258 Our assessed value of AUI shares post implementation of the Proposed Merger exceeds our assessment of the underlying value of a minority interest in AUI on a standalone basis (i.e. in the absence of the Proposed Merger). This is primarily because of the potential reduction in the DTL on DUI's investment portfolio that may arise from the Proposed Merger.

Accordingly, from a value perspective, AUI shareholders are likely to be better off if the Proposed Merger proceeds.

259 In addition to our underlying value assessment, we have also considered the position of AUI shareholders based on trading of AUI shares pre and post the announcement of the Proposed Merger. However, we have limited our analysis of the post announcement trading to the close of trading on 27 February 2026 as subsequent to this date the Australian sharemarket has been impacted by the conflicts in the Middle East which began on 28 February 2026. In our opinion, any comparison of pre and post share trading after 27 February 2026 is therefore not a relevant reference point for the purposes of assessing AUI shareholders' position pre and post the Proposed Merger[49].

260 AUI shares have generally traded (on a cum dividend basis) in the range of $11.30 to $11.50 in the period from 30 January 2026 to 27 February 2026 with a VWAP of $11.40[50]. A comparison of these trading prices to the AUI market trading prices prior to the announcement of the Proposed Merger is summarised below:

Comparison of AUI share trading pre and post announcement of the Proposed Scheme

	AUI share price $	Increase / (decrease) in value(1) $	%
Closing share price on 29 Jan 26	11.30	0.10	0.9
VWAP on 29 Jan 26	11.29	0.11	1.0
1 week VWAP to 29 Jan 26	11.27	0.13	1.1
1 month VWAP to 29 Jan 26	11.30	0.10	0.9

Note:
1 Compared to the post announcement trading VWAP from 30 January 2026 to 27 February 2026 of $11.40 (on a cum 1H26 dividend basis).

261 Although the above analysis also indicates that the Merger is value accretive to AUI shareholders (albeit less so than that based on our underlying value assessments), we note that the value of AUI's investment portfolio had also slightly increased post announcement of the Proposed Merger up to 27 February 2026. Furthermore, as noted in Section VIII, the AUI share price post announcement of the Proposed Merger does not appear to fully incorporate the potential benefits arising under the Proposed Merger when measured on a post-tax NTA basis.

Assessment of "reasonableness"

262 Pursuant to RG 111, the Proposed Merger is reasonable if it is fair. Consequently, in our opinion, the Proposed Merger is also "reasonable" to AUI shareholders.

263 That said, we have also considered a range of other factors that we consider relevant in assessing whether the Proposed Merger is reasonable to AUI shareholders, including:

49 We note that the decline in AUI's share price post 27 February 2026 is broadly consistent with that of the ASX 100 Index as at 9 March 2026 (noting the AUI portfolio is primarily comprised of ASX 100 companies).

50 On 27 February 2026, AUI shares traded ex entitlement to the 0.17 cent FY26 interim dividend. Share trading on this date has therefore been adjusted to include an allowance for the FY26 interim dividend (i.e. to reflect estimated trading in AUI shares on a cum dividend basis).

(a) the impact of the Proposed Merger on the financial performance and position of AUI

(b) the impact of the Proposed Merger on AUI's investment mandate and portfolio mix

(c) the impact of the Proposed Merger on AUI's Board and shareholder register

(d) the implications for AUI if the Proposed Merger is not implemented

(e) other qualitative factors associated with the Proposed Merger and the extent to which, on balance, they may advantage or disadvantage AUI shareholders.

264 These issues are discussed in detail below.

Impact on the financial performance and position of AUI

265 We summarise below the estimated pro-forma impact of the Proposed Merger on AUI's financial performance and position.

Financial performance

266 Notwithstanding the Proposed Merger may have a marginal impact on EPS, the AUI Board does not expect the Proposed Merger to have any impact on AUI's ability to pay fully franked dividends and expect, in the absence of unforeseen circumstances, to maintain (on a post-merger basis) AUI's current annual fully franked dividend of 37.0 cents per share and a special fully franked dividend of 8.0 cents per share for each of the next four years.

Financial position

267 A summary of the estimated pro-forma impact of the Proposed Merger on AUI's financial position (as disclosed in Section 1.3 of AUI's Notice of Meeting and Explanatory Memorandum) is set out below:

AUI – indicative pro-forma financial position as at 31 December 2025[(1)(2)]

	AUI Reported $m	DUI Reported $m	Adjustments $m	Merged Group Pro-forma $m
Cash and cash equivalents	20.6	8.1	-	28.8
Receivables	2.9	4.7	(0.0)	7.5
Investment portfolio	1,692.7	1,387.8	(78.9)[(3)]	3,001.6
Other assets	5.7	0.1	-	5.8
Total assets	1,721.9	1,400.7	(79.0)	3,043.6
Payables and other liabilities	(1.4)	(0.4)	0.0	(1.9)
Current tax payable	(6.6)	(2.3)	-	(8.9)
Borrowings	(90.0)	(30.0)	-	(120.0)
DTL on unrealised gains	(300.1)	(259.1)	206.3[(4)]	(352.9)
Other DTLs	(1.1)	(0.3)	-	(1.4)
Total liabilities	(399.2)	(292.2)	206.4	(485.0)
Net assets / NTA	1,322.6	1,108.5	127.4	2,558.6
Shares on issue (million)	*123.8*	*214.3*	*97.2*[(5)]	*220.9*[(5)]
Pre-tax NTA per share ($ share)	*13.11*	*6.38*		*13.18*
Post-tax NTA per share ($ share)	*10.69*	*5.17*		*11.58*
Net debt / investment portfolio[(6)]	*3.9%*	*1.2%*		*2.8%*

Note:
1 Rounding differences may exist.
2 The analysis does not adjust for the impact of the payment of the respective 1H26 dividends or transaction costs associated with the Proposed Merger, both of which are relatively immaterial.
3 Represents the elimination of AUI's pre-merger holding in DUI.
4 Upon formation of a tax consolidated group, an Allocable Cost Amount calculation will be undertaken for tax purposes (this calculation determines how the cost of the acquisition may be allocated to the underlying assets. The calculation set out above is an estimate of the impact of the consolidation elimination of AUI's DTL on its pre-merger holding in DUI, plus an adjustment for the estimated DTL impact upon AUI and DUI forming a tax consolidated group, based on the reported value of the investment portfolios as at 31 December 2025.
5 Based on the implied exchange ratio calculated as at 31 December 2025. Refer to paragraph 229.
6 Calculated as cash and cash equivalents plus receivables less borrowings, divided by the value of the investment portfolio.

Source: AUI's Notice of Meeting and Explanatory Memorandum, section 1.3.

268 In respect of the above, we note that:

(a) the modest increase in pre-tax NTA per share from $13.11 to $13.18 is driven by the difference in the carrying value of AUI's pre-merger investment in DUI (which is recorded at market prices and a discount to pre-tax NTA) and the corresponding look-through underlying pre-tax NTA value of that holding[51]

(b) post-tax NTA per share increases from $10.69 to $11.58, primarily reflecting the estimated pro-forma reduction in the DTL on DUI's unrealised investment gains upon AUI and DUI forming a tax consolidated group

(c) AUI's gearing slightly reduces as a result of the Proposed Merger.

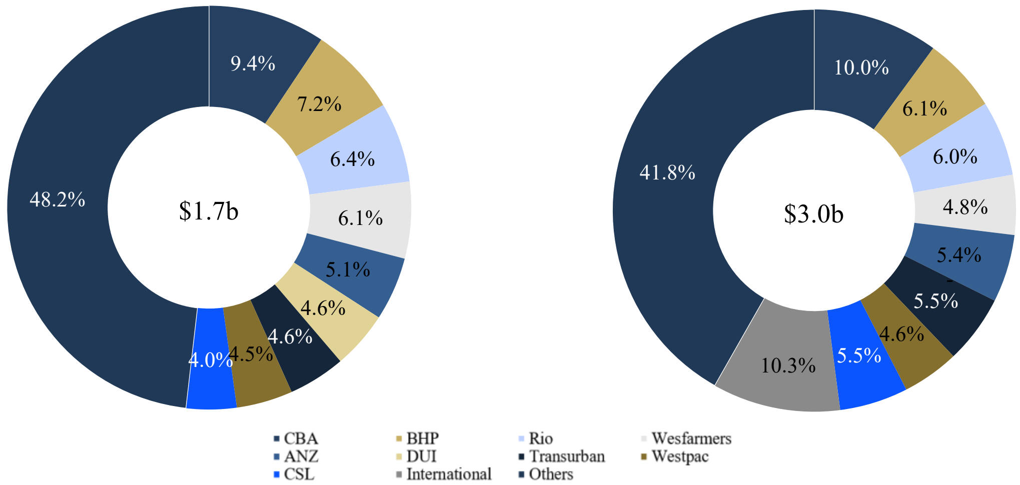
Compatibility of DUI portfolio with AUI's investment mandate and current portfolio

269 AUI and DUI have similar investment objectives, i.e. to create and maintain a diversified portfolio of quality Australian companies, primarily through shares listed on the ASX, with a medium to long-term view of providing income and capital appreciation. However, DUI's investment mandate also provides for approximately 15% to 25% of its investment portfolio to be invested in managed international funds, primarily in developed countries.

270 A summary of the impact of the Proposed Merger on the composition of AUI's investment portfolio (by major holding) is set out below:

51 If AUI's investment in DUI were measured based on its proportionate interest in DUI's pre-tax NTA rather than share prices, the Proposed Merger would not result in any change in AUI's pre-tax NTA.

AUI portfolio by major holding as at 31 December 2025	
Prior to the Proposed Merger	Post the Proposed Merger



Source: AUI Notice of Meeting and Explanatory Memorandum, section 1.3.

271 As indicated above, albeit the composition of AUI's investment portfolio will remain predominately focused on large ASX listed equities, the inclusion of DUI's holdings will introduce a small international component (approximately 10% of the combined portfolio) to which AUI shareholders were not directly previously exposed (AUI shareholders currently have a much smaller indirect exposure to DUI's international portfolio as a result of AUI's 6.8% interest in DUI shares).

Impact on the control of AUI

Board and management

272 If the Proposed Merger is approved and implemented, AUI currently intends to arrange for DUI to be removed from the ASX. With the exception of DUI's Chairman (Mr Charles Goode AC), the DUI Board members will not be retained. The composition of AUI's Board is not expected to change and will continue to comprise the current Directors, Mr Charles Goode AC (Chairman), Mr Fred Grimwade, Mr Dion Hershan and Mr Wayne Kent. Mr James Pollard will remain as Company Secretary. No significant change is expected to occur with respect to the day-to-day operations of the Merged Group.

Pro-forma shareholdings / ownership interests

273 If the Proposed Merger is approved and implemented, based on the Estimated Exchange Ratio, IPF's shareholding in AUI will reduce from approximately 41.9% to 31.6%. The illustrative pro-forma impact of the Proposed Merger on AUI's share register is shown below:

Illustrative pro-forma impact on AUI's share register[(1)]				
	AUI pre Proposed Merger		AUI post Proposed Merger	
	Shares held m	% total	Shares held m	% total
IPF	51.8	41.9	68.8[(2)]	31.6[(2)]
Lady Potter Entities[(3)]	8.8	7.1	9.3	4.3
Argo Investments Limited	8.3	6.7	8.3	3.8
Other shareholders	54.8	44.3	131.3	60.3
Total	123.8	100.0	217.7[(4)]	100.0

Note:
1 Illustrative only and is based on the Estimated Exchange Ratio of 0.4705 as at 28 February 2026.
2 Includes the shares in DUI held by The Ian Potter Foundation Ltd (No 1 GA A/c).
3 Consists of Lady Primrose Catherine Potter, Primrose Properties Pty Ltd, Decerna Pty Ltd and Zolani Pty Ltd.
4 This compares to the estimated 220.9 million shares that would have been on issue if the exchange ratio were calculated as at 31 December 2025 (being the date at which our underlying valuation assessment is undertaken).

Source: LEA analysis.

274 If the Proposed Merger is approved and implemented, IPF's interest in AUI will be substantially diluted and the Merged Group will have a more widely dispersed share register which may result in increased liquidity and greater trading depth than is currently experienced by AUI shareholders.

Implications of the Proposed Merger not proceeding

275 In the event the Proposed Merger does not proceed:

(a) AUI will continue to trade on the ASX and hold an investment portfolio that consists of large market capitalisation ASX listed equities

(b) the estimated cost synergies of $0.7 million will not be realised

(c) the advantages (and to a lesser extent, disadvantages) of the Proposed Merger (as summarised below) will be forgone

(d) AUI shareholders will incur unavoidable transaction costs associated with the Proposed Merger of some $1.0 million, without obtaining any corresponding benefit.

Conclusion on Proposed Merger and related party element

276 We summarise below the likely advantages and disadvantages of the Proposed Merger from the perspective of AUI shareholders:

Advantages

(a) AUI shareholders are likely to hold an interest in the Merged Group that is broadly consistent with the value contributed by AUI to the Merged Group

(b) based on our assessment of the underlying value of AUI shares pre and post-merger, AUI shareholders are likely to be better off from a value perspective if the Proposed Merger proceeds

(c) IPF's interest in AUI will be substantially diluted (from approximately 41.9% to 31.6%) and the Merged Group will have a more a more widely dispersed share register which may result in increased liquidity and greater trading depth than is currently experienced by AUI shareholders. This, coupled with the increased size of AUI, may lead to a reduction in the discount to which AUI currently trades relative to its pre-tax NTA per share

(d) there may be opportunities which arise from investment flexibility due to the increased size of the combined investment portfolio

(e) the Proposed Merger is expected to result in annual cost savings of $0.7 million per annum, which will slightly reduce AUI's MER.

Disadvantages

(f) AUI shareholders will have an increased and now direct exposure to DUI's investments in international ETFs and managed funds which may not align with individual AUI shareholder investment objectives.

277 Based on the above, we consider the advantages of the Proposed Merger to outweigh the disadvantages when considered from the perspective of AUI. Accordingly, in our opinion, the Proposed Merger is fair and reasonable to AUI shareholders.

278 Given our opinion on the Proposed Merger from the perspective of AUI shareholders as a whole and that the acquisition of IPF's DUI shares would occur on identical terms to those applying to all other DUI shareholders, in our opinion, the related party component of the Proposed Merger must also be fair and reasonable to AUI Shareholders for the purposes of ASX Listing Rule 10.1.

X Evaluation of the IPF Option

Basis of assessment and summary of opinion

279 AUI Shareholder approval is required for the exercise of the IPF Option under ASX Listing Rule 10.1 (as it would involve the acquisition of a substantial asset from a substantial holder) and s611(7) of the Corporations Act (as it would result in IPF increasing its interest in AUI shares by more than the 3% permitted under the "creep" provisions)[52].

280 The assessment criteria applied by an expert in evaluating the IPF Option differs between the ASX Listing Rules and the Corporations Act. The primary difference lies in the basis upon which "fairness" must be assessed:

IPF Option – basis for "fairness" assessment		
	ASX Listing Rule 10.1	**s611(7)**
Comparing:	• the value of the AUI shares issued as consideration upon exercise of the IPF Option on a standalone basis • the value of DUI shares being acquired under the IPF Option	• the controlling interest value of AUI shares prior to the exercise of the IPF Option • the minority interest value of AUI shares following the exercise of the IPF Option (being the deemed "consideration" provided to AUI Shareholders)
"Fair" if:	• the value of the AUI shares offered as consideration is equal to or less than the value of the DUI shares acquired from IPF	• the minority interest value of AUI shares following the exercise of the IPF Option must be equal to or greater than the controlling interest value of AUI shares before the exercise of the IPF Option
Reference	• RG 111.57 and 58	• RG 111.25

281 In summary, the ASX Listing Rules require an assessment of whether AUI is overpaying IPF for the DUI shares, whereas the Corporations Act requires the issue of shares under the IPF Option to be assessed as a control transaction, consistent with the principles applicable to takeover transactions.

282 The factors relevant to the assessment of reasonableness are otherwise broadly consistent under both frameworks.

283 In this section of our report we set out our assessment of the "fairness" and "reasonableness" of the IPF Option under both assessment frameworks.

284 Having regard to the relevant assessment frameworks, in our opinion:

(a) the acquisition of DUI shares from IPF on exercise of the IPF Option is fair and reasonable to AUI Shareholders when assessed in accordance with ASX Listing Rule 10.1

[52] In addition, AUI Shareholder approval is required under ASX Listing Rule 10.11 to issue any new ordinary AUI shares to IPF under the IPF Option (because IPF holds a greater than 30% interest in AUI). However, no opinion from an independent expert is required in respect of the AUI Shareholder approval for the purposes of ASX Listing Rule 10.11.

(b) the issue of AUI shares to IPF on exercise of the IPF Option is not fair but reasonable to AUI Shareholders when assessed in accordance with s611(7).

285 We have formed these views for the reasons outlined below.

Assessment of "fairness"

"Fairness" under ASX Listing Rule 10.1

286 Pursuant to RG 111, a related party transaction / transaction with persons in a position of influence per ASX Listing Rule 10.1 is "fair" if the value of the financial benefit being offered by the entity to the related party (in this instance, the consideration provided to IPF) is equal to or less than the value of the assets being acquired from the related party (in this instance, DUI shares).

287 This comparison, as it applies to the exercise of the IPF Option, is set out below.

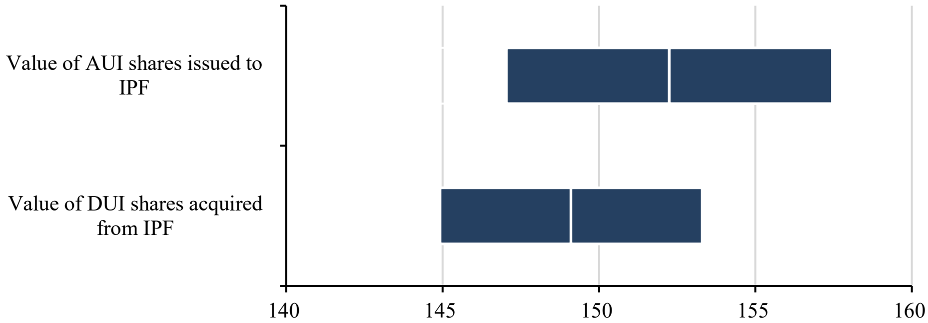
IPF Option – assessment of fairness(1)

	First Option		Second Option		Total – IPF Option	
	Low	High	Low	High	Low	High
Value of AUI shares to be issued to IPF						
Shares issued (million)(2)	6.1	6.1	7.6	7.6	13.6	13.6
Value per AUI share ($)(3)	10.79	11.55	10.79	11.55	10.79	11.55
Total value ($m)	65.4	70.0	81.7	87.5	147.0	157.5
Value of DUI shares acquired by AUI						
Number of shares (million)(2)	12.4	12.4	15.5	15.5	28.0	28.0
Value per DUI share ($)(4)	5.18	5.48	5.18	5.48	5.18	5.48
Total value ($m)	64.4	68.2	80.5	85.1	144.9	153.3

Note:
1 Rounding differences may exist.
2 The number of AUI shares to be issued is based on the implied exchange ratio of 0.487 as at 31 December 2025. This is consistent with the date at which the underlying value of the shares in AUI and DUI (i.e. the financial benefit being offered to IPF / the value of the asset that would be acquired by AUI from IPF) have been assessed.
3 For the purposes of assessing the value of the AUI shares offered to IPF we have had regard to our assessed minority interest value of AUI shares set out in Section VI, on the basis that the exercise of the IPF Option would not be expected to have any material impact on the minority interest value of AUI shares.
4 Based on our assessed minority interest value of DUI shares set out in Section VIII. We note that a competing proposal may result in a higher value being offered for DUI shares, however we have conservatively adopted our assessed value for the purposes of the above comparison.

288 A graphical comparison of the total value of the AUI shares that would be issued to IPF relative to the value of the DUI shares that would be acquired is set out below:

Comparison of the assessed value of DUI shares relative to the AUI share consideration offered[1]
$million



Note:
1 The white line positioned at the middle of our valuation range signifies the mid-point.

289 As the consideration offered is scrip (i.e. AUI shares) rather than cash, there is no single definitive estimate of value that can be relied upon for the purposes of assessing "fairness" pursuant to RG 111. Instead, the consideration offered has a range of possible value outcomes (which we have assessed as lying between $147 million and $157 million). As the value of the DUI shares that would be acquired also has a range of possible value outcomes (which we have assessed as lying between $145 million and $153 million) there are numerous different value comparisons that can be made between the value of DUI shares and the value of the AUI share consideration offered (some of which will be "fair" and others "not fair"). Given this, LEA considers it appropriate to assess "fairness" by reference to the degree of overlap that exists between the two valuation ranges, rather than by reference to any single point of comparison.

290 As indicated above, there is a high degree of overlap of values and our assessed mid-point of the value of the DUI shares that would be acquired lies within (and is not less than) our assessed range of values for the AUI shares offered as consideration to IPF. As such, in our opinion, the exercise of the IPF Option is "fair" when assessed under ASX Listing Rule 10 and RG 111.

"Fairness" under s611(7)

291 As the exercise of the IPF Option would result in IPF increasing its interest in AUI shares by more than the 3% permitted under the "creep" provisions of the Corporations Act, RG 111 requires the proposed share issue to be analysed as if it were a takeover bid under Chapter 6 of the Corporations Act. Whilst the exercise of the IPF Option and the issue of AUI shares to IPF does not involve any takeover offer being made for the AUI shares held by AUI Shareholders, the guidance in RG 111 requires that the expert assess fairness by comparing:

(a) the controlling interest value of AUI shares prior to the exercise of the IPF Option, with

(b) the minority interest value of AUI shares following the exercise of the IPF Option (being the deemed "consideration" provided to AUI Shareholders).

292 In order for the issue of shares to IPF upon exercise of the IPF Option to be "fair" under the RG 111 assessment criteria, the minority interest value of AUI shares following the exercise of the IPF Option must be equal to or greater than the controlling interest value of AUI shares before the exercise of the IPF Option.

Controlling interest value of AUI shares prior to the exercise of the IPF Option

293 In Section VI, we assessed the minority interest value of 100% of AUI shares prior to the implementation of the Proposed Merger.

294 In considering the extent to which a notional acquirer of 100% of AUI would pay a premium (if any) over the pro-rata value of the minority interest value, we have considered the following factors:

(a) the AUI investment portfolio consists of portfolio interests in a number of ASX 100 listed investments, together with cash and cash equivalents. Given the nature and composition of the portfolio an investor could readily replicate the portfolio

(b) whilst transaction costs would be incurred in replicating the portfolio, these are unlikely to be material for professional / sophisticated investors and would likely be not greater than (and most likely less than) the unavoidable corporate / regulatory costs, delays and uncertainties that would be incurred by a notional acquirer seeking a 100% controlling interest in AUI

(c) it is unlikely that a notional acquirer would want an investment in all the entities that comprise the AUI portfolio, nor the proportionate distribution thereof and would therefore be acquiring some unwanted shares that would likely be sold (with associated transaction costs)

(d) AUI operates with a relatively low MER of some 0.10%, so the cost savings available to an acquirer of 100% of AUI are likely to be relatively immaterial in the context of its total portfolio.

295 Notwithstanding the factors described at paragraph 294(a) to (d) above, we note that our assessed minority interest value of AUI shares on a standalone basis represents a discount of some 15% to the pre-tax NTA, reflecting our allowance for AUI's unrealised DTL. However, recent acquisitions of LICs indicate that transactions have generally occurred at prices which were broadly consistent with the pre-tax NTA of the target company:

LIC transactions

			Premium to share price		Premium / (discount)
Date[1]	Target	Acquirer	Day prior to offer %	1 month VWAP %	to pre-tax NTA %
12 Mar 24	QV Equities	WAM Leaders	12.7	14.2	(2.5)
14 Jun 22	AEG	WAM Leaders	9.0	11.4	(4.5)
14 Jan 22	PM Capital Asian Opportunities Fund	WAM Capital	18.5	20.5	7.4
29 Jun 21	Templeton Global Growth Fund[2]	WAM Global	13.8	14.6	3.8
22 Jun 21	Milton Corporation	WHSP[3]	26.4	26.6	10.9
13 Nov 18	CYA	WAM Leaders	3.6	4.2	(0.1)
30 Aug 18	Wealth Defender Equities	WAM Capital	13.3	13.1	1.4
		Average	13.9	14.9	2.3

Note:
1 Date of announcement.
2 This transaction involved both cash and scrip consideration. Based on the implied value of the scrip consideration (which was higher than the cash consideration).
3 Washington H. Soul Pattinson and Company (WHSP).
Source: Company announcements, FactSet and LEA analysis.

296 The average premium to pre-tax NTA in the above table is 2.3%, however the offer for Milton Corporation was materially higher, and priced at an approximate 11% premium to its pre-tax NTA, based on the scrip consideration offered by WHSP. At the time of acquisition, WHSP was trading at a significant premium to its pre-tax NTA and accordingly WHSP could offer a substantial premium for Milton Corporation without diluting its value to its own shareholders. Excluding this transaction, the average premium to pre-tax NTA is 0.9%. On this basis, recent transactions in the LIC sector:

(a) have tended to be around the pre-tax NTA level, which indicates that:

(i) acquirers have not been prepared to pay a substantial premium over pre-tax NTA

(ii) acquirers have not attributed any significant value to the DTLs (noting some of these acquirers may have benefited from an uplift in the tax cost base of the assets acquired under the tax consolidation rules)

(b) the premium to pre-offer share prices averaged 13.9% and 14.9% respectively over the share price prior to the initial offer and the one month VWAP[53], reflecting that the LICs typically traded at a discount to their pre-tax NTA values.

297 Accordingly, for the purposes of valuing 100% of the shares in AUI on a controlling interest basis, we have adopted a valuation range which reflects the pre-tax NTA implicit in our valuation of AUI on a standalone basis in Section VI:

Valuation of 100% of AUI on a controlling interest basis[1]			
	Paragraph	Low $m	High $m
Assessed equity value of AUI (minority interest basis)	193	1,335.3	1,429.9
Add back allowance for DTL	193	244.0	234.4
Assessed equity value of AUI (pre-tax)		1,579.3	1,664.3
AUI shares on issue (million)	193	123.8	123.8
Assessed equity value of AUI per share ($)		12.76	13.45

Note:
1 Rounding differences may exist.

Minority interest value of the AUI shares post exercise of the IPF Option

298 In assessing whether the exercise of the IPF Option would be likely to have any material impact on the minority interest value of AUI shares, we note that:

(a) the exercise of the IPF Option would not be expected to result in any cost savings or synergies

(b) as AUI would be paying a fair value for these shares (as determined from paragraphs 286 to 290), the exercise of the IPF Option is not expected to be value accretive for AUI shareholders (based on our assessed value of DUI shares).

53 Excluding the Milton Corporation transaction, these averages are 11.6% (day prior) and 12.8% (one month VWAP) respectively.

299 That said, the IPF Option is only exercisable if a competing proposal for DUI is either announced on the ASX or received by DUI. In such circumstances, the DUI shares acquired under the IPF Option together with those already held by AUI, may be worth more than the value reflected in our assessment of the underlying value of DUI. However, this is uncertain and cannot be assumed. Further, given the relatively modest size of these holdings when compared with the remainder of AUI's portfolio, any increase in value (if it were to occur) is unlikely to materially affect AUI's overall underlying value. Accordingly, for the purposes of our report, we have conservatively adopted a post-exercise minority interest value for the shares in AUI that is consistent with our assessed standalone underlying value of AUI in Section VI, being $10.79 to $11.55 per share.

Summary of s611(7) assessment of "fairness"

300 A summary of our assessment of "fairness" is set out below:

"Fairness" value comparison – exercise of the IPF Option	Para	Low $/share	Midpoint $/share	High $/share
Controlling interest value of AUI shares prior to the exercise of the IPF Option	297	12.76	13.10	13.45
Minority interest value of AUI shares post exercise of the IPF Option	299	10.79	11.17	11.55
Extent to which the minority interest value post exercise of the IPF Option is less than the controlling interest value of AUI shares prior to exercise of the IPF Option		(1.97)	(1.93)	(1.89)

301 Based on the above we have concluded that the exercise of the IPF Option is "not fair" to AUI Shareholders when assessed under s611(7) on the basis required by RG 111.

Assessment of "reasonableness"

302 Under RG 111, a transaction is reasonable if it is fair. However, a transaction may still be reasonable if, despite being "not fair", after considering other significant factors, the expert is of the opinion that there are sufficient reasons for shareholders to vote for the transaction (i.e. the advantages of the transaction are considered to outweigh the disadvantages).

303 We have therefore outlined below a range of factors (in addition to the "fairness" considerations outlined above) that we consider relevant to AUI Shareholders in deciding whether to approve the IPF Option under Resolution Two and Three including:

(a) the implications for AUI Shareholders if the IPF Option is unable to be exercised

(b) the impact of the issue of shares under the IPF Option (both the First and Second Options) on the control of AUI

(c) the position of AUI Shareholders before and after the exercise of the IPF Option / share issue assessed on a consistent basis (i.e. by comparing the minority interest value of AUI shares before exercise of the IPF Option with the minority interest value of AUI shares afterwards), and the net benefits inherent in the IPF Option

(d) the advantages and disadvantages of the acquisition of IPF's shares in DUI under the IPF Option from the perspective of AUI Shareholders.

Implications for AUI Shareholders if the IPF Option is unable to be exercised

304 The Board of AUI has entered into the MID and considers the Proposed Merger to be a natural combination given AUI's and DUI's similar investment philosophies. The Merged Group would be larger and benefit from increased scale, allowing for increased investment flexibility in managing the expanded portfolio. Furthermore, the AUI Board expects that the larger size of the listed entity would result in increased liquidity of the Merged Group and may lead to a reduction in the trading discount to the value of the underlying investment portfolio.

305 The consideration paid for the grant of the IPF Option is nominal ($10), however it provides AUI with the option to purchase a total of 27.997 million DUI shares in two tranches (the First and Second Option) from IPF.

306 As outlined in Section I, the IPF Option is only exercisable if a competing proposal for DUI is either announced on the ASX or received by DUI. If this occurs the IPF Option enables AUI to increase its shareholding in DUI from 6.8% to 19.9%. This would provide AUI with a significant blocking stake that would prevent a rival bidder from acquiring more than 90% of DUI and proceeding to compulsory acquisition under a takeover offer, and could also significantly hinder an acquisition of DUI to be implemented by way of a scheme of arrangement. As a result, the IPF Option serves as a potential deterrent for competing proposals emerging for DUI.

307 If AUI Shareholders do not approve the exercise of the IPF Option under ASX Listing Rules 10.1 and 10.11, AUI will be unable to immediately fully establish this strategic position[54]. Without the deterrent effect provided by the IPF Option, the risk of the Proposed Merger not proceeding successfully is increased.

Impact of exercising the IPF Option on the control of AUI

308 If the IPF Option is exercised, IPF's ownership (and voting power) in AUI will increase. The illustrative impact of the exercise of the IPF Option (based on current relativities[55]) is set out below:

IPF Option – illustrative impact on AUI share register[(1)(2)]

	Existing		Post First Option[(3)]		Post Second Option[(4)]	
	Shares m	Holding %	Shares m	Holding %	Shares m	Holding %
IPF	51.8	41.9	57.7	44.5	65.0	47.5
Lady Potter Entities[(5)]	8.8	7.1	8.8	6.8	8.8	6.5
Argo Investments Limited	8.3	6.7	8.3	6.4	8.3	6.1
Other shareholders	54.8	44.3	54.8	42.3	54.8	40.0
Total	123.8	100.0	129.6	100.0	136.9	100.0

54 Noting that, without AUI Shareholder approval under ASX Listing Rule 10.1 and 10.11, AUI would still be able to exercise the First Option only and increase its interest in DUI to approximately 12.6% by settling the First Option with a non-voting instrument.

55 The number of shares to be issued to IPF in exchange for its DUI shares would be calculated by reference to the pre-tax NTA per share of DUI divided by the pre-tax NTA per share of AUI as stated in the latest published weekly NTA of each company at the time of exercise. The illustrative example has been calculated adopting the Estimated Exchange Ratio of 0.4705 as at 28 February 2026 (which marginally differs to that used in the assessment of fairness at paragraph 287 above).

Note:
1 Rounding differences may exist.
2 Calculations based upon the Estimated Exchange Ratio of 0.4705 as at 28 February 2026 (which marginally differs to that used in the assessment of fairness at paragraph 287 above which was calculated as at 31 December 2025). The basis of the exchange ratio is consistent with the Proposed Merger, except that the Scheme consideration is adjusted for transaction costs.
3 Upon exercise of the First Option, IPF would be issued 5.9 million AUI shares.
4 Upon exercise of the Second Option, IPF would be issued 7.3 million AUI shares.
5 Consists of Lady Primrose Catherine Potter, Primrose Properties Pty Ltd, Decerna Pty Ltd and Zolani Pty Ltd.

309 The increase in IPF's shareholding of some 2.6% on exercise of the First Option remains within that permitted by the 3% "creep" provisions of the Corporations Act (noting that IPF has not increased its shareholding in AUI within the last six months).

310 However, the further increase in IPF's interest in AUI that would arise on exercise of the Second Option of 3.0% (5.6% in aggregate) requires AUI Shareholder approval. In our view, this incremental increase in IPF's shareholding does not result in any meaningful change in IPF's practical control. This is because IPF already holds a 41.9% interest in AUI (increasing to 44.5% after the exercise of the First Option) and has sufficient voting power to block any proposed takeover offer, scheme of arrangement or special resolution.

311 Furthermore, IPF's increased shareholding is not expected to affect the day-to-day operations of the Company nor AUI's Board (as IPF will not be permitted any additional Board representation).

312 It should also be noted, even if AUI Shareholder approvals under ASX Listing Rules 10.1 and 10.11 were not obtained and AUI was not able to exercise the Second Option (and IPF was therefore not issued additional AUI shares under that mechanism), IPF could still achieve a comparable end shareholding in AUI (i.e. approximately 47.5%) about 6 months after issuing AUI shares under the First Option by acquiring further shares on-market in accordance with the "creep" provisions of the Corporations Act.

Position of AUI Shareholders before and after the exercise of the IPF Option

Value perspective

313 As noted in paragraphs 298 to 299 above, the exercise of the IPF Option is not expected to have any material impact on the minority interest value of AUI shares. On this basis, the transaction is expected to be broadly value neutral for AUI Shareholders, with potential for a marginal uplift if any competing proposal for DUI (which is required in order for the IPF Option to be exercised) implies a value that is more than the value reflected in our assessment of the underlying value of DUI (although any such uplift is uncertain).

Other factors

314 However, the exercise of the IPF Option would have the following other impacts:

(a) **Investment portfolio composition** – AUI would increase its interest in DUI from 6.8% to 19.9%. This represents the single largest holding in AUI's investment portfolio, increasing from some 4.6% to approximately 12.2%[56]. This increased shareholding would provide AUI shareholders with an increased exposure to DUI's underlying investment portfolio, including its international investments

(b) **Liquidity and free float** – AUI would have a slightly larger market capitalisation after the exercise of the IPF Option, via the issue of new AUI shares to IPF. However, the free float of AUI would likely remain unchanged as the AUI shares held by IPF have historically been held by IPF for the long term.

Conclusion

315 Based on the above, we summarise the advantages and disadvantages of the exercise of the IPF Option under both assessment frameworks:

Advantages / disadvantages of exercising IPF Option	ASX 10.1	s611(7)
Advantages		
• AUI would pay "fair" value to IPF for the DUI shares that it would acquire under the IPF Option (based on our assessments of the underlying value of AUI and DUI)	✓	✓
• The exchange ratio for the issue of AUI shares under the IPF Option is broadly consistent with the exchange ratio under the Proposed Merger	✓	✓
• The IPF Option is a mechanism put in place by the AUI Board as part of the Proposed Merger in order to deter and/or block a competing proposal. In the absence of the IPF Option, there is a greater risk the Proposed Merger may not proceed	✓	✓
Disadvantages		
• If the IPF Option is exercised, IPF would increase its interest in AUI from approximately 41.9% to 47.5%. However, the incremental increase (particularly that which arises after exercise of the First Option, which does not require shareholder approval): – does not provide IPF with any meaningful additional practical control as it already has sufficient voting power to block any proposed takeover offer, scheme of arrangement or special resolution – is not be expected to affect the day-to-day operations of the Company, nor the composition or functioning of AUI's Board – could, in any event, still be achieved within about 6 months after exercising the First Option by acquiring further shares on-market in accordance with the "creep" provisions of the Corporations Act.	✓	✓
• When assessed on a basis that is consistent with a control transaction (that is by comparing a controlling interest value for AUI pre-exercise with a minority interest post-exercise), the IPF Option is considered to be "not fair". However, when assessed on a like-with-like basis (minority interest both pre and post), the transaction is expected to be broadly value neutral, with potential for a marginal value uplift (although any such uplift is uncertain).	n/a	✓

n/a – not applicable

56 Based on AUI's investment portfolio holdings as at 31 December 2025, and incorporating a value for the 28.0 million shares in DUI based on the midpoint of our assessed value of DUI shares of $5.33 per share.

316 Having regard to the above advantages and disadvantages, we have concluded that:

(a) **ASX Listing Rule 10.1** – the acquisition of DUI shares from IPF on exercise of the IPF Option is fair and reasonable to AUI Shareholders when assessed in accordance with ASX Listing Rule 10.1

In our opinion, the consideration to be issued by AUI is no greater than the assessed value of the DUI shares to be acquired and the transaction is therefore "fair". As a consequence, it is also "reasonable". In addition, the IPF Option forms part of the broader transaction structure supporting the Proposed Merger and reduces the risk of that transaction not proceeding, which we regard as a further positive factor

(b) **s611(7)** – the issue of AUI shares to IPF on exercise of the IPF Option is not fair but reasonable to AUI Shareholders when assessed in accordance with s611(7)

The transaction is "not fair" under the s611(7) assessment framework because it must (pursuant to RG 111) be assessed on a basis that is consistent with a control transaction. Whilst the exercise of the IPF Option will result in IPF increasing its interest in AUI by more than the 3% permitted under the "creep" provisions of the Corporations Act, in our view, this is not expected to result in any meaningful change in IPF's practical control of AUI. In addition:

(i) the exercise of the IPF Option is expected to be broadly value neutral when assessed on a like-with-like minority interest basis, with potential for a marginal value uplift (although any such uplift is uncertain)

(ii) when assessed in accordance with ASX Listing Rule 10.1 (which compares the consideration to be paid against the value of the asset to be acquired) AUI is considered to be paying "fair" value to IPF for the DUI shares

(iii) the IPF Option supports the implementation of the Proposed Merger and reduces the risk of that transaction not proceeding

On the basis of these factors, notwithstanding the transaction is "not fair" under the strict control based test that must be applied for s611(7) purposes, we consider it to be reasonable in the circumstances.

Appendix A

A Financial Services Guide

Lonergan Edwards & Associates Limited

1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.

2 LEA holds Australian Financial Services Licence No. 246532, which authorises it to provide a broad range of financial services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

Financial Services Guide

3 LEA has been engaged by AUI to provide general financial product advice in the form of an IER in relation to the Proposed Transactions. The *Corporations Act 2001* (Cth) requires that LEA include this Financial Services Guide (FSG) with our IER.

4 This FSG is designed to assist retail clients in their use of the general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

General financial product advice

5 The IER contains general financial product advice only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

6 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at $185,000 plus GST.

7 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.

8 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.

9 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Complaints

10 If you have a complaint, please raise it with us first. LEA can be contacted by sending a letter to the following address:

Level 7
64 Castlereagh Street
Sydney NSW 2000

11 We will endeavour to satisfactorily resolve your complaint in a timely manner. Please note that LEA is only responsible for the preparation of this IER. Complaints or questions about the Notice of Meeting should not be directed toward LEA as it is not responsible for the preparation of this document.

12 If we are not able to resolve your complaint to your satisfaction within 30 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

Compensation arrangements

13 LEA has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of the Corporations Act.

Appendix B

B Qualifications, declarations and consents

Qualifications

1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.

2 This report was prepared by Mr Nathan Toscan, Ms Julie Planinic and Mr Brett Aalders, who are each authorised representatives of LEA. Mr Toscan, Ms Planinic and Mr Aalders have over 25 years, 27 years and 10 years' experience respectively in the provision of valuation advice (and related advisory services).

Declarations

3 This report has been prepared at the request of the Directors of AUI to accompany the Notice of Meeting to be sent to AUI Shareholders. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not:

(a) Proposed Merger (which includes the acquisition of a substantial asset from IPF, a substantial shareholder) is "fair and reasonable" to AUI Shareholders when assessed in accordance with ASX Listing Rule 10.1

(b) exercise of the IPF Option (which would result in the acquisition of DUI shares from IPF and issue of ordinary AUI shares to IPF) is:

(i) "fair and reasonable" to AUI Shareholders when assessed in accordance with ASX Listing Rule 10.1; and separately

(ii) "fair and reasonable" to AUI Shareholders when assessed in accordance with s611(7) of the Corporations Act.

4 LEA expressly disclaims any liability to any AUI Shareholder who relies or purports to rely on our report for any other purpose and to any other party who relies or purports to rely on our report for any purpose whatsoever.

Interests

5 At the date of this report, neither LEA, Mr Toscan, Ms Planinic nor Mr Aalders have any interest in the outcome of the Proposed Merger or the IPF Option. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.

6 LEA has not had within the previous two years, any business or professional relationship with AUI, DUI or IPF or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Merger or the IPF Option.

7 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of

interest or would impair our ability to provide objective independent assistance in this engagement.

8 LEA has had no part in the formulation of the Proposed Merger or the IPF Option. Its only role has been the preparation of this report.

Indemnification

9 As a condition of LEA's agreement to prepare this report, AUI has agreed to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of AUI which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.

Consents

10 LEA consents to the inclusion of this report in the form and context in which it is included in the Notice of Meeting.

C Valuation methodologies

1 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

(a) the DCF methodology

(b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets

(c) the amount that would be available for distribution to shareholders in an orderly realisation of assets

(d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis

(e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

2 Under the DCF methodology the value of the business is equal to the net present value of the estimated future cash flows including a terminal value. In order to arrive at the net present value, the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.

3 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future "maintainable" earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.

4 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA[57], EBITA[58], EBIT[59] or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable

57 Earnings before interest, tax, depreciation and amortisation.

58 Earnings before interest, tax and amortisation of acquired intangibles.

59 Earnings before interest and tax.

earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.

5 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company’s assets.

D Glossary

Abbreviation	Definition
1H26	Half year to 31 December 2025
AFCA	Australian Financial Complaints Authority
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
AUI / the Company	Australian United Investment Company Ltd
AUI Shareholders	AUI shareholders other than IPF and its associates
Corporations Act	*Corporations Act 2001* (Cth)
DTL	Deferred tax liability
DUI	Diversified United Investment Ltd
EPS	Earnings per share
ESG	Environmental, Social & Governance
Estimated AUI Merged Group Interest	Aggregate holding of AUI Shareholders in the Merged Group post-merger
Estimated Exchange Ratio	0.4705 AUI shares for each DUI share held based on the relative pre-tax NTA of AUI and DUI as at 28 February 2026
ETF	Exchange traded fund
First Option	First tranche of 12.447 million DUI shares subject to the IPF Option
FSG	Financial Services Guide
FY	Financial year
IBC	Independent Board Committee
IER	Independent expert's report
IPF	The Ian Potter Foundation Limited
IPF Option	Call option under which AUI has the right to acquire up to 27.997 million DUI shares from IPF for consideration of $10 in exchange for newly issued AUI shares
LEA	Lonergan Edwards & Associates Limited
LIC	Listed investment company
MER	Management expense ratio
Merged Group	The enlarged combined AUI post-merger
MID	Merger implementation deed between AUI and DUI dated 30 January 2026
NAB	National Australia Bank
NAV	Net asset value
NTA	Net tangible assets
Option Shares	DUI shares subject to the IPF Option
Proposed Transactions	Collectively, the Proposed Merger and the IPF Option
RG 111	ASIC Regulatory Guide 111 – *Content of expert reports*
RG 74	ASIC Regulatory Guide 74 – *Acquisitions approved by members*
Scheme / Proposed Merger	Scheme of arrangement to implement the proposed merger of AUI and DUI whereby AUI will acquire all the shares in DUI that it does not currently hold
Scheme Calculation Date	The date which is five business days before the Scheme meeting
Scheme consideration	Newly issued AUI shares in exchange for every DUI share held with the exchange ratio to be determined based on the pre-tax NTA per share of DUI divided by the pre-tax NTA per share of AUI shares as at five business days before the Scheme meeting, as adjusted for estimated transaction costs
Second Option	Second tranche of 15.550 million DUI shares subject to the IPF Option
VWAP	Volume weighted average price
WAM	Wilson Asset Management

Appendix D

Abbreviation	Definition
WANOS	Weighted average number of shares outstanding
WHSP	Washington H. Soul Pattinson & Company

AUSTRALIAN UNITED INVESTMENT
COMPANY LIMITED
ABN 37 004 268 679